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EDITORIAL

As We See It

The fact that of late weeks gold is again leaving our coffers for those of foreign countries has begun to cause comment and, in some quarters, surprise and apprehension. There had been a popular impression that the unusual rate of gold loss during the year 1958 was a product of the recession and recession-born fear that a severe depression was in the making in this country. The circumstance that the outflow of gold tapered off as general business revived in this country appeared for a time to confirm some such theory —although, of course, another factor in the situation, abnormally low interest rates, tended to disappear at about the same time. The more recent outflow may or may not have a one-time, non-recurring explanation as some observers believe, but it should call attention in a forceful manner to the truth that the underlying cause of the 1958 outflow is still with us.

That cause is a sharp shrinkage in our exports for which we are paid (that is, excluding those which are a part of our give-away programs) and a simultaneous refusal of imports for which we must pay. The figures are familiar enough. Our total exports of goods and services dropped in 1958 to $25.6 billion from $28.9 billion the year before. In both years imports totaled approximately $20.7 billion. Thus in 1958 our balance in terms of total goods and services was down to less than $4.9 billion as against $8.2 billion in the year before. But this is not the whole story. In point of fact, and taken as it stands, it is a most misleading account of what actually happened. Included in the figures of exports in 1957 is a sum of over $2.4 billion consisting of net

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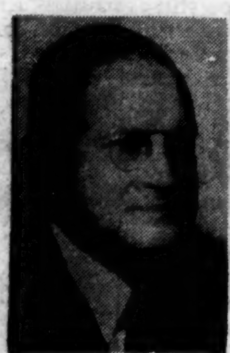
It Would Be Tragic to Keep Inept Financial Husbandry

By C. CANBY BALDERSON*

Vice Chairman, Board of Governors of the Federal Reserve System, Washington, D. C.

A revealing insight into Federal Reserve's concern about inflationary prospects during a time of general excess capacity and reservoir of unemployed is made by Mr. Balderston. Blaming debt—consumer, business, local, state and Federal—in a Devil's Brew recipe of trouble, which also contains unemployment and advancing prices, the Governor shows that since May, 1958, industrial prices are up 2% and are now about 1½% over previous record high. Mr. Balderston indicates criteria governing Federal Reserve decisions; queries whether present inventory accumulation rate is sustainable and whether past price and wage decisions are flexible enough; and cites record to show growth with price decline or price stability is compatible.

The cyclical contraction that ended in April of last year was one of the shortest on record. It has been followed by a recovery of classic pattern that has now pushed most of the business indicators through their previous ceilings. Personal income in constant dollars has gone 2½% beyond its pre-recession high. Real gross national product and industrial production have achieved new records. The trough from which we emerged followed a giant wave of consumer buying capped by plant expansion. Over-capacity and excessive inventories led inexorably to painful correction in the form of recession, with its worries, losses and tribulations.



C. Canby Balderston

It is now time to take stock of the residual difficulties that still face us. Three major problems may be summarized in three

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*An address by Mr. Balderston before the Philadelphia Bond Club, Philadelphia, Pa., April 20, 1959.

Quarterly Investment Company Survey

Some Sail-Trimming By the Funds

By A. WILFRED MAY

Analysis of investment companies' portfolio operations during first quarter discloses considerable shifting from common stocks to cash and governments. This policy was largely concentrated in the balanced funds. Top favorite issue was Ford, followed by Monsanto and Philips' Lamp; with Standard Oil of New Jersey the most widely sold. Industry groups particularly favored included motors, chemicals, glass, electrical-electronics, insurance, machinery-industrial equipment, coppers, natural gas, utilities, rails, textile and tobacco. Selling outweighed buying in bank, finance company, and drug issues

[*Tables appearing on pages 28 and 33 show Fund's comparative investment positions; total common stock and other securities transactions; and individual common stock transactions by industry groups.*]

During the March quarter, while the stock market continued its rise to all-time highs the expert fund managers as a group switched to caution. In contrast to the preceding quarters, trimming of sails was engaged in by an increasing number of funds, although these still remained in the minority.

This trend was concentrated in the balanced funds of which 14 were net sellers of portfolio common stocks, against 13 net buyers, with four standoffs; compared to the previous quarter's record of 16 net buyers, nine sellers and six standoffs. In contrast to this swing to defensiveness by the balanced funds, the open-end stock funds exhibited increased bullishness with 35 net buyers of equities, four sellers, with two standoffs; compared with only 30 net buyers, seven sellers and two standoffs during the preceding quarter. In the case of the closed-ends the number of net sellers increased from four to six funds.

The abatement of overall bullishness is clearly evidenced in the aggregate dollar value of stocks bought and sold. Purchases by all funds under our review

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SECURITIES NOW IN REGISTRATION — Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 38.

The Security I Like Best

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

(The articles contained in this forum are not intended to be, nor are they to be regarded, as an offer to sell the securities discussed.)

This Week's Forum Participants and Their Selections

Carlisle Corporation—Richard R. Fields, Security Analyst, Jesup & Lamont, New York City (Page 2)

Technograph Printed Electronics, Inc.—T. Reid Rankin, of R. M. Hornor & Co., New York City. (Page 2)

RICHARD R. FIELDS
Security Analyst
Jesup & Lamont, New York City
Member: New York Stock Exchange and American Stock Exchange

Carlisle Corporation

The common stock of this company, currently quoted around 20 over-the-counter, represents one of the most interesting ways to participate in the "romance" of electronics and instrumentation. Whereas well known instrumentation company equities sell at earnings multiples of 20 times or better, Carlisle is currently priced at about 10 times 1958 earnings and 8 times prospective 1959 profits.

Richard R. Fields

During the past five years the company's sales have had the following annual sequence: $11.8 million in 1954, $15.4 million in 1955, $18 million in 1956, $19.4 million in 1957, and $14.8 million in 1958. In the same period per share earnings were 79¢, $1.07, $1.60, $1.78 and $1.91, respectively. There are 549,841 common shares outstanding. The decline in 1958 sales was due partly to the company's disposal of a division manufacturing specialized heavy duty trucks and trailers. This line of products was high in sales but contributed only nominal profits. For 1959, sales should exceed $22 million and earnings could be projected in the $2.30-$2.60 per share range.

Despite the superior earnings record of Carlisle, its common stock sold around 14 as recently as last November. I believe the two deterrents to a better investment valuation, at that time, may have been lack of investor awareness of the changes within the company and the assumed importance of automotive tire tubes in Carlisle's operations. The anticipated loss of inner-tube business to tubeless tires did not materialize as far as Carlisle was concerned. Several important changes in the company since 1957 should result both in substantial further growth of earnings as well as in a higher investment valuation.

Early in 1959 Carlisle acquired a business called Tensolite Insulated Wire Co. This company, with plants in Tarrytown, N. Y., is a leading manufacturer of high-temperature miniature wire and cable used principally in various instrumentation and electronic applications such as servo systems, business machines, control and communications equipment, aircraft wiring systems and the like. Tensolite was among the first companies to solve the technological problems connected with the commercial use of DuPont's Teflon (Tetrafluoroethylene resin) as a coating for miniature wire. Teflon's heat-resistant properties make it ideal in wire coatings for miniaturized instrumentation where precise performance under taxing conditions is a necessity.

Tensolite is one of the three major companies working with Teflon, the other two being privately held. Its sales last year were approximately $3 million and could reach $5 million in 1959. Plant space was doubled in 1958 and should be adequate to handle the immediate growth in sales volume. Because of Teflon's extraordinary heat resistance and dyelectric qualities, Tensolite's products are premium priced and are believed to yield profits close to 10% net after taxes before charge-offs on certain deferred items. Thus Tensolite's contribution to 1959 earnings may be around 90¢ per share (before special items which could reduce reported net by 25¢-40¢ per share). Reflecting the rapid growth and instrumentation end-use of the Tensolite division we believe such earnings deserve a capitalization multiple of 15-20. In other words, the current market price of 20 may be warranted on Tensolite earnings alone. The investor is, in effect, getting a rubber products business, grossing some $18 million and earning around $1.80 per share annually, "for free."

In rubber products, the largest part of gross ($12 million) is generated by the Carlisle, Pa. complex of plants. They manufacture inner tubes, bicycle tires, irrigation hose and similar items. Carlisle is one of the leading bicycle tire manufacturers in the country. As for automotive inner tubes, the ascendance of tubeless tires has not hurt the company principally because several of the leading tire manufacturers have abandoned manufacturing of inner tubes thus permitting Carlisle to have a larger piece of a shrinking pie. Carlisle's inner tube volume has, in fact, increased. In general, the Carlisle division constitutes a solid "bread - and - butter" business which, while it is unlikely to grow substantially, offers satisfactory profits.

The Stoner division in Anaheim, Calif., is a relatively small division manufacturing silicone modified rubber products for aircraft and oil field customers. Even though Stoner's volume is currently only about $1 million the division is very active in research and has interesting long range prospects. The third division in rubber and allied products is Geauga, with plants in Ohio, generating annual sales of around $5 million. Geauga was acquired in 1958. It manufactures molded or extruded rubber and plastic products primarily for household appliances. Both the Stoner and the Geauga business have above-average prospects for expanding sales.

The latest available balance sheet for Carlisle Corp. (12-31-58) shows a strong financial position with cash alone ($3.6 million) exceeding all current liabilities ($2.5 million). Long term debt of $1.6 million was modest compared to net working capital of $4.3 million and net worth of $5.9 million. Carlisle's recent acquisitions were financed with cash or borrowings, without dilution of common equity. The company's available credit or cash is sufficient to meet any foreseeable expansion needs and no equity financing is anticipated during the intermediate future. Dividends were recently raised to an 80¢ annual rate and may be increased further as the expected increases in earnings materialize.

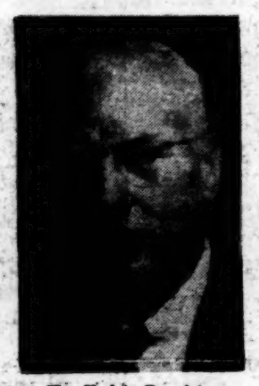
Carlisle's management is best judged by the operating results of the last five years. In this period, sales and earnings more than doubled; an operating division in heavy equipment (Dart trucks) showing limited profits was sold; another division (Dover Corporation) was spun off to Carlisle stockholders on a 1-for-4 basis and now is priced around 23 on the N. Y. S. E.; an interesting rubber - and - plastic business (Geauga) and a highly promising instrumentation-wire business (Tensolite) were acquired for cash; the last mentioned acquisition increases per share earnings potential by about 40% and provides the company with important diversification.

In today's markets there are relatively few worth-while investments which trade at earnings-multiples of 10 or less. They appear particularly scarce among companies manufacturing products with an instrumentation end-use. Carlisle Corp. common stock, selling at 8 times prospective 1959 earnings ($2.30-$2.60 per share) and yielding 4% on current dividends, appears to offer highly interesting appreciation potential and is therefore the security I like best.

T. REID RANKIN
R. M. Horner & Co., New York

Technograph Printed Electronics Inc.

In the first 10 years, the most outstanding change in the Electronics Field has been the introduction of Printed Circuits. Unknown 10 years ago, today printed circuits are used in the vast majority of electronic assemblies. The use of printed circuits, rather than costly hand wiring, is preferred for two obvious reasons: (1) lower production costs and (2) rigidity and reliability of the circuit. The uses for printed circuits and printed components are still growing.



T. Reid Rankin

The development, or rather the discovery, that the time-consuming and costly hand wiring and soldering could be done by the simple means of photographing on a copper clad laminate, a schematic drawing and then etching the photograph, resulted in low cost, simple and foolproof circuits.

Printed circuits were not used at all until after World War II. Their production in 1951 was valued at only $100,000. This year, some $40,000,000 worth of printed circuits are expected to go into television sets, electronic computers and other electrical products for industry and missiles.

This corporation, virtually unknown to the General Public, today controls the basic Patents that have made etched printed circuits possible. Its stock is available at a price so low as to make the stock an outstanding speculation based solely on a Patent Suit. The potential value in the stock is based upon the upholding of the Patent by the courts.

Dr. Paul Eisler, noted Austrian-born physicist, while in the employ of the National Research Development Co. (affiliated with the British Government) made the discovery and received the basic patents from the British patent office. Patents were then granted by the United States Patent Office and Technograph

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Investment Opportunities Across the Ocean

By ALAN C. POOLE*
Research Consultant and Stock Market Analyst
Hemphill, Noyes & Co., New York City
President, Association of Customers' Brokers

Security analyst, recently returned from first hand appraisal-trip of European investment prospects, briefly reviews overall conditions in five countries abroad and singles out foreign securities he believes are most attractive. Comments on: improving economic prospects in Britain; poor impression France gives; promising developments in northern Italy; greater opportunity for capital growth in Germany than in U. S. A.; and industriousness of the Dutch. States future of Europe lies to a great extent in our hands today.

The occasion of our trip to Europe was a momentous one, as it was the first time that a group of Wall Street investment analysts had gone together for the purpose of studying conditions abroad from the investor's point of view. From our trip we hoped to gain a background of conditions that would enable us to advise people more intelligently on the purchase of European securities for investment.

Alan C. Poole

Our first stop was in England and in this country a unique situation exists. At present the Conservative Party is in power but before next spring, it is obligated to call for a general election. However, it has the advantage of being able to call for that election at whatever time within this period is so desires. I should explain that the primary significance of this election is that it has a great bearing on the future nationalization of industry in the United Kingdom. For example, the Labor Party is committed to the nationalization of the steel industry. Today British steel stocks offer perhaps the most attractive statistical values available in world markets. If the steel industry were nationalized, however, shareholders would probably receive lower prices than they would pay for these stocks today in the open market. Therefore, an analysis of the British political situation is of prime importance. While we were in England the Budget was announced. This is an extremely important event to the British people because taxes are determined in accordance with the Budget and these new taxes go into effect the day after the announcement. As the British have been considerably more successful balancing their budget than we have, tax reductions were in order, primarily sales taxes on many consumer durable goods. It is hoped that this will considerably improve economic conditions over the next few months by creating a wave of consumer spending. This in turn it is hoped will reduce unemployment (now at less than 3% of the total working force compared to 7% in this country). One political sop was accorded the working man as the tax on beer was reduced by two pence a quart. I was told that the following day there would be great joy among the working classes as they could go into their pubs and buy beer cheaper. One thing the budget failed to do, however, was to provide for greater old age pensions to offset the higher cost of living and it is the feeling of many Britishers that unless some sort of legislation along these lines is enacted it may prove to be a severe stumbling block for the Conservatives in the election.

From talking to several people I have come to the conclusion that the outcome of the elections is about 50-50 for either side at this time, that the elections will probably be held in the fall and that a Conservative victory depends largely on improved industrial activity, lower unemployment and some old age pension legislation. These trends should be watched closely because in the event of a favorable outcome it is my feeling that the British steel stocks could appreciate sharply. At the present time all phases of the British economy appear to be improving, although many industrialists are still talking in terms of a light recession.

Not Impressed by France

In France I was less impressed. It is very difficult to get any reliable information from the French corporations. Furthermore, in spite of the strength of De Gaulle's leadership there is a great deal of political instability. The Algerian war is unpopular and unless this is resolved there is always a chance that De Gaulle will lose his leadership, an event which French businessmen fear in vew of the fact that strong leadership appears to be vitally necessary. It is the feeling that if De Gaulle is uprooted that another period of political chaos will ensue and this could have repercussions on the over-all economic picture. The weakness of the French currency is still another factor that makes me relatively unenthusiastic about this country as a field for investment.

In Italy I see much more promise. To understand fully the

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*An address by Mr. Poole before the Federation of Women's Shareholders in American Business, Inc., New York City, May 2, 1959.

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Regular Features

*Column not available this week.
†See Cover Page article dealing with portfolio operations of Investment Companies in final quarter of 1958.
‡See article on Cover Page.

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The Investing Picture Today Is Not All Unalloyed Brightness

By G. KEITH FUNSTON*
President, New York Stock Exchange
New York City

In underscoring disquieting signs in the current market, Mr. Funston points out what the N.Y.S.E. has done and plans to do regarding disclosure and advice to investors, and what it cannot do for those who choose to remain uninformed or careless. The former Trinity College President stresses dissimilarity between today's market and the 1920s; explains why "the investing picture today is not one of unalloyed brightness"; announces near completion of new census of shareholders; and asks the government to lead the fight against inflation, and create a tax structure that does not penalize investment.

The astonishing growth of our corporate enterprises in recent years has been accompanied by a development that is equally remarkable but much less understood. It is the mushrooming of shareownership to an extent that has prompted at least three phenomena.

G. Keith Funston

First, U. S. enterprise has emerged with a new set of owners—America's middle-income millions. Largely as a result of this it has emerged, also, with a new name—"People's Capitalism." In increasing numbers, people from every occupation and income group have become the direct owners of the country's industrial might. Finally, we have emerged with what are, ostensibly, a new set of problems—posed by critics who are often well-meaning. These critics wonder, for example, whether the broad mass of people can really be entrusted with the responsibilities of ownership? Can they handle the complexities of investing on a sound basis? Can they make proper use of that mechanism called the marketplace?

The Stock Exchange, let me say, is no stranger to these questions. In one form or another they are as old as the nation's history. They were raised once about the right to vote . . . about the the right to worship . . . about the right to receive an education. And the Exchange's reply to these questions, in the context of today's economy, is firm and unhesitating. Certainly the American people can handle the responsibilities and risks of ownership. More than that, the really unique thing about our economy is the wonderful opportunity open for the broad mass of people to take advantage of those responsibilities. In short, the Exchange believes that the trend towards ownership must be encouraged among all those able and willing to take the sensible risks of investing. To doubt that people can handle these risks, is to doubt that they can handle any other part of their heritage.

At the same time, I would recognize that concern over the public's participation in the stock market is being voiced with increasing frequency these days. And I would endorse the view that when the heads of 23 million American households discuss the market each week . . . and when the market news moves regularly from the inside to the front pages, it is time to take a realistic look at what is occurring to shareownership in America. And it is time, also, to explore some of the problems inherent in the changes that are underway.

Discusses Public Educational Program

First, however, let me mention a page out of recent history.

Early in the 1950's the Stock Exchange launched a broad educational program. It was designed to spell out, with painstaking care, the opportunities, the risks and the rewards that go with investing. By the standards of other industries our program was modest indeed. But for our own community it was a significant departure. And in the perspective of the years our program has already done a great deal to change the face of American capitalism. In the years to come we hope our efforts will contribute a great deal more.

Three factors motivated the Exchange's program. First, the pent-up demands of a war-time economy, and the needs of an expanding population called for staggering amounts of corporate growth money. It took no unusual vision to see that many of the dollars required could best come from one place—the bulk of the American people who were moving up in income, and up in living standards.

Second, we had the absolute conviction that the average man had much to gain from a sound program of investments that included stocks along with government and corporate bonds, and cash savings. We were much impressed, for example, with research that illuminated our "target" areas—research that showed some 2½ million nonshareowning families earning $10,000 per year or more; followed by 4.2 million nonshareowning families in the $7,500 to $10,000 bracket; and then a broader base of 16.3 million nonshareowing families with incomes of $5,000 to $7,000.

Finally, in terms of the Exchange Community, we recognized that as a national institution we could only thrive so long as we were able to attract and assist a mass of people who needed our services. This meant, in turn, providing a market broad and liquid enough to meet the needs of every investor.

The concept of a liquid market, I might add, is no play on words. The man in Denver who expects to sell a share of his stock at about $40, and finds his market order has been executed at $35, is not going to be much impressed with the market's liquidity. But, when his order is executed at the price he expected—or within 12½ cents of the last sale—then he has acquired substantial confidence in the market's orderliness. Well, our studies last year show that 82% of *all* round lot transactions on the Exchange were executed either at variations of 12½ cents a share from the previous sale—or at no change at all.

This kind of a market never just happens by chance. It is achieved only by planning and hard work, by bringing literally millions of people—not just thousands—to the market, by serving them well, and by demonstrating each day that the market itself is fair, orderly and open.

When our educational program began, the first thing we did was attempt to strip away the mystery that for too long had surrounded the investment process. Through every medium within our budget we set out to make the language of investing commonplace. In advertising, films and million of pieces of literature, we spelled out the prerequisities that should guide the investor. They have become a litany with us: have a steady income and cash savings before entering the market; understand and tailor the risks to what you can afford; determine your objectives in terms of the Exchange's wide list of stocks and bonds; concentrate on the long-term; get the facts; and seek advice from reputable brokers, such as Member Firms of the New York Stock Exchange.

War Against Fraud

As a corollary to this we have pressed our continuing war against the tipsters, phony promoters and get-rich-quick artists.

On other fronts, the "rights of shareowners" were hammered home and the Exchange Community moved to strengthen those rights. The requirements for a company to be listed on the Exchange were raised—and so were the criteria for remaining listed.

Today, every Exchange-listed company furnishes periodic reports to shareowners; every listed common share carries the right to vote—and every listed company is expected to facilitate that right by sending out proxies. Just last month, for example, our Board of Governors decided that

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*An address by Mr. Funston before the Denver, Colo., Chamber of Commerce, April 24, 1959.

The State of Trade and Industry

Steel Production
Electric Output
Carloadings
Retail Trade
Commodity Price Index
Food Price Index
Auto Production
Business Failures

The May issue of the First National Bank of Boston "New England Letter" contains the following observations on the business situation:

"The recovery pace has been strong and broad, based upon first quarter data on output, construction, income, and trade, and this trend has carried well into the second quarter. The swiftness of the upward movement, accompanied by widespread inventory accumulation and sharply higher business profits, has carried us to a new high in many economic measures, removing most of the doubts that we have now passed to the early stages of a new boom. While business and consumers alike are generally optimistic about the outlook, and rightly so, it should be recognized that we are clearly at a level of activity where we become increasingly vulnerable to a testing period. This might arise from any unexpected change or emergency, such as prolonged and widespread labor troubles, a marked reversal in security prices, or some new international crisis.

"Gross national product, most comprehensive measure of the nation's output of goods and services, achieved a new peak, with the first quarter annual rate estimated at $465 billion. This represented a gain of $12 billion or about 3% over the preceding quarter, and of $38 billion or 9% over the like quarter of 1958. The gains on a constant dollar basis were roughly one-fifth less, as prices have moved only moderately higher.

"Among the three major spending sectors, personal consumption at a record annual rate of $300 billion accounted for about one-third of the increase over both the preceding and comparable 1958 quarters, with durable goods making the best relative showing. The shift from inventory liquidation to accumulation likewise contributed roughly one-third to the over-all increase in spending. Government purchases of goods and services were nearing the $100 billion mark, with state and local units accounting for a substantial part of the gain. Residential construction and purchases of producers' durable equipment also added moderately to total spending. Net exports of goods and services, continuing the marked decline of the past two years, in the first quarter showed a negative, or net import, balance—the first since the third quarter of 1953."

Nationwide Bank Clearings Up 1.7% From 1958 Week

Bank clearings this week will show an increase compared with a year ago. Preliminary figures compiled by us based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, May 2, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 1.7% above those of the corresponding week last year. Our preliminary totals stand at $26,239,138,822 against $25,798,386,876 for the same week in 1958. Our comparative summary for the principal money centers was as follows:

Week Ended May 2—	1959	1958	%
New York	$13,684,546,685	$14,761,084,874	— 7.3
Chicago	1,247,874,739	1,159,900,030	+ 7.6
Philadelphia	1,638,000,000	1,070,000,000	+15.7
Boston	810,444,380	696,821,342	+16.3

Only a "Miracle" Seen Preventing Steel Strike

Steel mills are set to meet fire with fire should steel labor try divide-and-conquer tactics in its battle for a "substantial" wage increase, according to "The Iron Age," national metalworking weekly.

"Iron Age" said there has been speculation that if steel contract talks currently in progress break down, union leaders might strike some companies and let others work. The struck companies thus would be under greater pressure to settle with the union.

Another reason why the union might try this strategy is that if companies not struck by the union shut down anyway, the union could claim a lockout and its members would be eligible for unemployment compensation.

But if the union makes any such move, said "Iron Age," the companies have an answer: a mutual assistance proposal. Provision has been made to put into operation something similar to the

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Integration of Europe And the U.S. Economy

By JOHN J. McCLOY*

Chairman, Chase Manhattan Bank, New York City

The significant growth of European power unleashed by integration and the financial sense of our top officials regarding the importance of the dollar's strength are but two of the topics commented upon by the former U. S. High Commissioner to Germany. No stranger to the force and dimension of European economic growth, the now head of one of the nation's leading banks notes that European absorption of our recent business dip is indicative of economic vitality evident there.

We have heard much of the rise of Soviet power. We are now beginning to hear also of the rise of Chinese power. Both these developments have been unduly long in coming. But another postwar development quite comparable with the combination of these forces, if not even more significant, is the growth of European power through this trend toward integration.

John J. McCloy

Here we have a area of somewhere between 150 and 200 million people, over a million square miles and the center of most of the world's technical and managerial skills, not to mention its role as the great repository of Western culture and art. A force in itself which, when integrated, is of such dimension and potential strength that continued insistence upon the weakness of Europe in relation to the strength of Russia, China or the United States, is rapidly becoming quite artificial.

Here is a force with such power, moral and material, that it need not bow to any accumulation of strength from any quarter of the globe. To speak of its function in the defense of the free world as no more than a trip wire, as some of our strategists have called it, is to me one of the most fantastic concepts which I have ever heard in connection with defense matters—and I have heard of a good many in the course of my experience. And at the core of this new strength is the new relationship which is developing between France and Germany. Both East and West are stirred by this new phenomenon, but without it, Europe would be incapable of integration and would remain an anachronistic example of divided peoples and nations as out of date as the old city states. When this combined strength and cultural leadership is meshed in with the strength and the moral power of the western Atlantic nations, there need be no fear, as I have said, of an imposed will from any quarter of the globe. On the contrary, with such strength of resources, we possess a full guaranty of both our liberties and our peace.

The days of desirable division on the European Continent, so long the object of astute diplomacy, have passed. New and broader forces are working. Newer concepts are demanded. Much of this has deep political implication, but at the heart of it are economic and business implications which throw a challenge to the commercial interests of Europe such as they have rarely faced in their long history. Nowhere does this challenge present itself more prominently than to the German businessman. Centrally located, the products of great industry and skill emanate from German industry, and the German businessmen are perhaps above all others in a position where they now have the responsibility of developing wisdom both in political and economic fields.

I doubt whether ever before in Europe there has been such a demand or such a need for business statesmanship. Old animosities have to be submerged. Goodness knows, we have done enough to each other to generate antagonisms and resentments that could last forever if we only allowed ourselves to dwell upon them. But if we cannot and should not entirely forget the past, we cannot now certainly afford to bear resentments based only on memories. I refer to one other thought and that is the great need—while we are in the process of putting together this great force which the new Europe represents—that business as well as political statesmanship should see to it that we avoid the creation of any new economic antagonisms. It will do us no good and the world no good, if we merely create within the Western world two or perhaps three economic areas with all the politicalisms, which could so readily flow from them, if we did that. Somehow some way must be found to achieve not the partail, but the full strength of the Free World.

Dulles and Adenauer

The solution is not simple but I believe that the solution is one which business statesmanship and political statesmanship can find the answer to. I refer to the sharp issues which are facing us in the near future. It is unfortunate that at just this period we are compelled to rearrange our forces and our teams, so to speak, as we go forth to deal with these issues. The illness of Mr. Dulles means that we shall have lost at this critical juncture, a man whose intellect, force and character have become almost a symbol of the firmness of the Free World and of the capacity to deal with the maneuvers—whatever they may be—of the Communist offensive. But at the same time we find Chancellor Adenauer in the process of moving from his position where he has directed the day-to-day operations of German policy to the honored position of President of the Federal German Republic, where, no doubt, his influence will continue to be felt, but where his responsibilities will, of course, be less direct. Yet I do not see any change in the direction of American or German policy resulting from either of these events.

Secretary Herter I know long and well and his very selection together with the undisturbed continuity of those in the State Department, including Mr. Loy Henderson, who through the years have worked with Mr. Dulles and followed his leadership, is the best indication of the fact that the United States policy will be as steadfast as heretofore. Moreover, whoever will be the next Chancellor, I cannot believe that there will be any fundamental change in German policy. Knowing him fairly well, I am reminded of this Scottish adage: wherever MacGregor sits, is the head of the table. There may be something of this on the German scene.

On Berlin

I probably should not say anything about Berlin at this rather delicate period perhaps for fear of being called an interloper, but I know some of the former defenders of that city and I spent some time there myself during periods of some tension and I feel that I should pay my respects to the spirit and determination of the people of that city.

I visited Germany in the period between the wars on a number of occasions and never had much regard for the City of Berlin. Somehow it seemed to me a rather large sprawling sort of a city with nothing of the architectural beauty of a number of cities in Europe, but after being in Berlin in that beleaguered spot and sensing in these periods of tension something of the mood of the people, I came to feel, with all due loyalty to my German "Heimatstadt" Frankfurt, that Berlin had a greater appeal than any of the German cities. We always got a good bit of criticism down in the Zones, but we could rarely do any wrong in Berlin and that was perhaps one of the reasons why I became so fond of that city. You could be quite critical of the Americans down around Frankfurt, but you didn't get very far with it in Berlin. From somewhere out of the spirit of those people some new Lucius Clay will again strike the note, receive the response and take the action which will maintain not only the freedom of that city but the integrity of the whole Free World position.

Decries Compromises on Berlin

May I say one thing more about Berlin. I do wish that we would stop vieing with each other in public in coming forward with compromise solutions in regard to how we should act in respect to Berlin. No sooner had the Russians stated their maximum position than the top columnists, and a number of senators and others, including some interlopers, came forward with all manner of suggestions and sloganisms such as disengagement, getting off dead center, as contributions or supposed contributions to a proper settlement of the Berlin issue. One of our Allies seems already to have given away the Eastern frontiers and we seriously talk about confederation of the Soviet dominated DDR—whatever confederation such a circumstance means.

What I miss, is a statement of our maximum position! When the Soviets said they would occupy West Berlin, it seems to me we should have immediately said we wish to reoccupy Saxony and Thuringia. That is where our armies were when they were in West Berlin, and when some Senator says we must get off dead center in respect to our Berlin policy, it seems never to lie in his mind that the center might possibly be moved further east. Not always further west. There is not much space left in these days with the new speed tables in which to replace the center, if Europe is to remain free. Disengagement is a pleasant word to roll around the mouth but its not so pleasant when we call it by its true name, withdrawal.

What disturbs me is that we strive to come forward with almost every conceivable position and suggest giving it away before we ever reach the negotiating table. There are a number of things of course that we could do at the table, but I don't like the idea of giving every intermediate position away before we even sit down. This is a technique which never commended itself to me in dealing with the Russians, though I think it is the experience of all those who have dealt with the Russians.

U. S. Economy

Now let me leave politics. I come back to business. More particularly, I should say something about the economy of the United States. Bankers are always supposed to say something about the economy and look wise in regard to economic future. I'll try to go through that pose here. One thing I would like to call attention to is one of the slogans that seems to have commended itself to our thinking in recent years, namely, that if the United States sneezes this induces pneumonia in Europe. Well, this has now proven not to be the case. We have had our sneeze and I don't see any fever in Europe. Europe seems to have been very

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*An address by Mr. McCloy before the German Americ[illegible]erce, Inc., New York City, April 27, 1959.

"Never Call the Cops"

By WILLIAM NADEN*

President, Esso Standard Oil Company, New York City

Oil industrialist denies all low commercial consumer oil prices originated with major oil companies; describes this period as a temporarily painful but necessary free market situation; and predicts that if petroleum demand continues to expand 5% each year, capacity will soon be reached, freeing the industry of troublesome surplus as supply and demand come closer together. Mr. Naden reviews problems facing jobbers, opposes arbitrary limitations on oil imports, deplores the profits-squeeze, and suggests segments of the industry join ranks to forestall public intervention methods of settling industry's internal difficulties. Sees no point in calling in the cops as the answer to gripes and complaints in working out intra-industry solutions.

The oil business has been a good business—for all of us. It seems to be especially good, however, if you are in the jobber or distributing end of the business. I know many men who have left oil companies to become independent jobbers. Some have done well. Others have done very well. None have starved to death. But I seldom hear of jobbers scrambling to come to work for any of the majors!

William Naden

This year the oil industry completes its first 100 years. I have been in it for the past 32. They have been exciting years—years of growth, technological change, and ever-increasing demand.

Today, our industry is the fourth largest in the United States. Only agriculture, transportation, and the public utilities have a lead on us.

Our estimated investment is about $48 billion — and the oil industry provides work for over a million and a half people. The industry presently spends about $300 million per year on research — to improve existing products and to develop new ones.

This is a good business, and in my estimation, it's going to stay good. Take energy requirements, for example. It has been generally accepted that you can measure the well-being of any people by the amount of energy they consume. Here in America, our use of energy outstrips all other nations—and we have the highest living standard in the world. American energy requirements are supposed to increase 63% in the next ten years—and the percentage of those requirements supplied by oil will also increase. In case you are going to peddle oil for a living, this is certainly the best place to do it!

It's been said that "the first 100 years are the hardest." I'm inclined to agree with this, even though it's popular nowadays to think that the oil industry is facing many more problems than ever before.

The first 100 years were hard, tough, and demanding years. There were many problems that confronted oilmen. There were far-reaching changes that took place. In the early years we operated a kerosene business. Then came the automobile, and we changed our operations to meet the enormous demand for gasoline. Ships and locomotives began burning oil. Diesel engines and aircraft came upon the scene. Oil heaters and furnaces became commonplace. At this time there was a call for the middle of the barrel. Similar changes have taken place right up to today.

Yet the men who ran the industry were flexible enough to adapt and adjust to these rapid changes in the demand pattern.

In fact, I think the most outstanding characteristic of our first 100 years was the caliber of the men you found in the oil industry. These men were courageous. They took chances. They welcomed change. They believed in free competition and were sure they could make a success of their operation. They were not afraid of new ideas and new techniques. They had the guts and courage necessary to roll back the frontier.

Current Problems Are No Worse

Certainly we have problems today. But these problems are no worse than the ones we met and solved in the past. Our current problems have been caused by changes, just as the problems of yesterday.

The oil industry has probably changed more than any other major industry since the war. Every phase of the business has been affected by new developments. Some of these changes have been accepted; others we have tried to reject. Some have been fully understood, others only partially digested. Almost all of them have created problems and, unfortunately, dissension.

In refining, we have been confronted with excess capacity for a number of years. In production, there have been many new entries into the business, and many new foreign oil areas have been opened up. In transportation supertankers have come on the scene, along with larger trucks and more efficient tugs and barges. New products and new processes have been developed, especially in the petrochemical end of the business.

In marketing, there has been an intensification of competition as new markets have been sought by everyone. The growth of the private brand chains has been a change of great significance to everyone in the oil industry. In the heating oil business there has also been change. Here, natural gas has grown from infant to giant proportions as a competitor in the home heating market.

Changes of such magnitude simply do not occur in all industries. They are characteristic of industries which are free, energetic and dynamic.

Problems Facing Jobbers

What are some of the jobber problems that have been caused by these changes? Basically, I think they are these:

- . . . natural gas competition;
- . . . mandatory import restrictions;
- . . . profits;
- . . . commercial consumer business;
- . . . and, of course, taxes, taxes, taxes.

Now I certainly don't have the final answers to these problems. In fact, I'm sure that there are many people here tonight who know a lot more about some of these things than I do. But these things are causing trouble, and I believe it helps to get them out in the open whenever we can.

The heating oil problem is a particularly irksome one. This is an area of tough competition. Coal was easy for us—but natural gas is a stronger competitor. However, there is no reason to retreat in panic. Natural gas is not invincible. What we have to do is emphasize our strong points. We must sell economy, cleanliness, and service. And we must get into this battle with both feet —we've waited too long already.

Plan to Promote Oil Heat

I also think it's true that we haven't done as vigorous a job in promoting oil heat as the utilities have done in pushing gas heat. But I have high hopes for the National Fueloil Council. I understand they have come up with an excellent promotional program. The Council has a budget which may reach $3,000,000 before the end of the year. This is certain to have a real impact on local markets—if spent wisely.

In addition, the API is financing an extensive research project —which could have a significant effect on the fuel oil business. This project is aimed at improving the efficiency of oil burners and fuel oil, and also is going to study unconventional concepts in burners. The ultimate objective is, of course, to increase fuel oil markets.

Import Quotas

Most are aware of the recent import controls. Certainly these controls are going to affect our operations. Perhaps it's too early to predict with any certainty whether controls will shorten supply—increase price—or maybe both.

Another disturbing aspect of the imports question is the statement in the executive order concerning "scrutinizing prices. . . ." What does this mean? Does it mean crude prices only? Residual prices? Will barriers come down if the prices go up? Will price controls be the next step? These are unresolved, fuzzy questions—but serious ones.

Historically, ESPA vigorously has opposed arbitrary limitations on imports. If, for the time being, it looks like we have lost this round — remember that we have received support for our side from many quarters.

The fight's not over yet, by any means. We must keep up the struggle— let our elected representatives in Washington know how this matter affects us—and let them know often.

Profit Squeeze

Let me turn to something we all favor—profits. Unfortunately, the picture is not too favorable— tor rising costs and bitter competition are squeezing all branches of the oil industry. Our margins and our profits are being cut all along the line. We know that jobbers are having profit problems, too.

Low margins, in the face of the rising costs of doing business, present a serious problem for both suppliers and jobbers. Oil prices have been depressed for quite a while. Last year, for example, the oil industry reported 25% less net income, after taxes, than was reported in 1957.

We have found that we cannot depend on higher prices to bring in profit. Only one road remains open for us—the road that leads to the establishment of a more efficient, economical, cost-conscious operation. The surest—if not the only way — to improve the profit picture is to reduce costs. This applies to everyone, large and small. It applies to the jobber as well as the supplier.

Anyone who attempts to do business in the future must process a lean, efficient organization. There are no markets around for fat cats with high overhead.

Current Commercial Consumer Price

At this point I want to bring up a really hot topic—commercial consumer business. There has been a lot of name-calling and finger-pointing — some justified, some without cause. I know that many have been concerned with this problem, and believe me—so have we.

One of the reasons for this problem can be traced to the increase in refining capacity since the last war. Demand was heavy after the war and refiners built to catch up with it. Korea forced even more construction. Consequently, for the past few years, there has been an over-supply of gasoline seeking an outlet.

This is the reason marketers are seeking new customers all over the place. This is why West Coast companies have moved East, and vice-versa. This is the reason behind the vigorous growth of retail gasoline chains.

All of this casting about for new markets merely has shifted product from one hand to the other —like a hot potato. Certainly, the proportion of business possessed by various suppliers in each market has changed. Volume has swung from jobbers to majors, and from majors to jobbers. But none of these things, in themselves, have caused any increase in the consumption of gasoline. After juggling the hot potato from hand to hand, it has not disappeared. We are still left with it burning our fingers.

Whenever an industry condition of over-supply exists, the first price that is affected is the commercial consumer price. There has been a great deal of talk that all these low prices originated with major oil companies. This is not so. For example, I know that Esso has lost business to small non-integrated refineries— and to jobbers, as well as to majors. In many instances, the low bid was a jobber bid. In others, suppliers won the business.

I can understand how jobbers feel about this business. We don't like this situation any better than they do. All of us know that much of this business has gone at ridiculously low prices, sometimes so low that nobody makes a profit on it.

Actually, this is a temporary situation — a situation which is really nobody's fault. For in order to enjoy the benefits of a free enterprise system—there are times when certain imbalances develop. We are in such a time right now.

Sees Product Surpluses Ending

Let's be realistic. At the present prices that refiners are getting for gasoline, there is little incentive to build more capacity. The flow of capital into that end of the business has slowed down. The excess of spare capacity is being whittled away in some areas. The emphasis is now on getting greater efficiency—rather than more capacity.

If the demand for petroleum products continues to expand 5% each year, we'll soon catch up with capacity, bringing supply and demand closer together. When this equalization takes place, the petroleum industry will be free of product surpluses—the cause of many of our current difficulties— not only the problem of commercial business.

Suggests Forestalling Public Intervention

The problems I have been discussing are certainly important to all of us. How we go about solving them will have a profound effect on the future of the industry.

At this point I should call upon all segments of the industry to unite—to join ranks—to make a common front. For years, men have stood before us telling us to settle our difficulties within the structure of our own industry. We were warned that government controls and intervention into our business were sure to come if our squabbles were constantly aired in public.

I am not going to join my predecessors by "crying wolf." I don't have that privilege because the wolf is here. He didn't creep upon us unawares, either. He was invited in.

The Federal Government was invited to arbitrate an internal problem of the petroleum industry—imports—and the invitation

*An address by Mr. Naden before the Empire State Petroleum Association, New York City.

was accepted. Of course, this is not total control — far from it. However, control of imports affects every segment of the industry in some manner.

Government controls seldom come singly. There's a strong possibility of price controls being imposed on the industry—if prices go up now that imports have been restricted.

Over the last 25 or 30 years, the free and unrestricted competition in the oil industry, in my opinion, has given the consumer lower prices than any system of government regulation could possibly have done. Prices of most oil products have been depressed for at least a year and a half, largely due to the recession. A healthy price recovery was in the cards as business conditions improved, irrespective of the new imports program.

Competition Is Vital

Free and sometimes fierce competition, in a free economy, is what built the oil industry to its present position, vital to the country in peace and war.

I, for one, hope that I am not around when this dynamic industry falls into the hands of bureaucrats who lack the interest, experience and information necessary to conduct a profitable business. I hope I am not around if we are ever wound up in miles of official red tape and hamstrung by the tens of thousands of forms and reports that would come with total government regulation.

And it doesn't make me any happier to know that this situation is being caused by our internal conflicts and intra-industry sniping.

It seems to me that the time has come for us to make a real decision. Do we—or do we not want to continue to operate in a free enterprise economy? If we don't want competition—let us at least be honest enough to say so. If we want our industry to become completely regulated, let's put our head on the block right now. I think it would be quicker than stabbing at each other with dull knives.

Our continual dissent, constant bickering, and childish finger-pointing have put us in an untenable position—both in relation to government and in relation to the public. We are like the family who does all of its feuding, fussing, and fighting in public. Its neighbors not only think poorly of them—they are damn well fed up with them.

Four Kinds of Oilmen

Basically, I think there are four kinds of oilmen. You know them as well as I do.

There's the kind that does not know when things are changing. This kind has always, and will always, be with us.

There's the kind that knows when things are changing — but doesn't care.

There's the kind that knows when things are changing and does care—but his concern is to turn back the clock or to stand still.

And finally, there is the kind of oilman that knows when things are changing and who works like hell to adapt to the changes and take advantage of them.

This last type flourished during the first 100 years of the oil industry. Fortunately, some men like this are still around. They are a tough breed. They are the kind of men the industry needs as it moves into its second 100 years.

But at the same time, it seems to me that we are developing far too many oilmen of quite a different nature. These are the ones who no longer desire to solve their problems by their own free actions. Instead, they prefer to creep into the arms of the State —to rely on the power of the government to make their difficulties disappear.

Keep the Cops Out

A jobber once told me a story about his childhood in Brooklyn. He grew up in a tough neighborhood — where the kids on the block were good kids, but very independent characters. Squabbles were frequent, and nobody grew up without a bloody nose once in a while. However, they had a standing rule which was never broken. It was a simple rule and it worked fine. It was— "Never call the cops!"

I'm afraid that we're losing the capacity to face change without fear. I wonder if many of us wouldn't like to freeze things as they are—keep what we have—build a fence around ourselves. We have become possessed with the idea of security—but security is never found in the arms of the state.

Our first 100 years were characterized by free competitive enterprise. How are we going to spend our next 100 years? I can answer that. Unless we change our ways—and change them fast —there isn't going to be any second 100 years! The petroleum industry may find itself operating as a branch of the Department of the Interior.

Imagine what the men who built this industry would think of us now! They are not just turning over in their graves—they are probably spinning like tops. For one thing—I bet they never dreamed the day would come when a Rockefeller would push for an increase in the gasoline tax!

I just want to leave one thought. Jobbers' function is one of the most important in the whole business. They have been around a long time — will stay around a long time. But can only operate in a free competitive industry. There's no room for independent businessmen in an industry controlled and regulated by the Federal Government. Remember this when there are gripes and complaints. Let's work out our own solutions to our problems—in the long haul, we'll be glad we didn't call the cops!

Continued from page 5

Integration of Europe And the U. S. Economy

able to have sustained our recession, a slight recession to be sure. I think this is another indication of the revised strength of Europe and it augurs well for the future.

So far as our own economy is concerned—by every index which one can judge these things—it seems strong and seems to be growing stronger. Of course, this is just the time when you had better look out, but I must say all the signs that I can see and read point to a vigorous future, at least as far as one can reasonably look into the future.

We have had some economic developments in this country which have caused some of our friends abroad a certain mixture of emotions, with some a certain sense of satisfaction, that the position of our currency is beginning to compare, let's say, somewhat less favorably with their own, in spite of the fact that the strength of the dollar had something to do in the not too remote past with the maintenance of some of those currencies. But on the other hand we have people that fear that the dollar might indeed grow weak. Of course, one can say if currencies have grown in strength in relation to the dollar, a great deal of energy, thought, time, and money was spent in just trying to bring that situation about. As for the future of our own currency, I cannot feel that our legislators and government leaders will so ignore their responsibilities as to permit the dollar to assume a significant weakness. Perhaps we have been losing out in world markets, due to our prices. But in spite of the level of stock market prices, we are, in my judgment, not on the verge of a dangerous inflation. I don't mean to be too confident about this because we could readily slip. Our prices for the time being are relatively stable. There is a substantial amount of unused plant capacity still about. We have unemployment to an appreciable degree. More and more, as I see the clouds lifting, the prospect of a serious unbalanced budget seems to be disappearing.

In this country, I say to my German friends, we have really to excite ourselves to the need of a solid currency, particularly, when the rationalizers of little but persistent inflation urge it on as a wise government policy. Fortunately or unfortunately we have not had the built-in fear which the experience of a real inflation, such as the Germans have undergone, induces. This has given them an attitude which makes it unnecessary to argue about the ills of inflation.

Over here we do have to argue, however, with some professors now and then—not all professors by any means—but it seems to me the only professors who can get the front page of the New York "Times" seem to be those who kick what is known as the sacred cow of sound money about. Now the President and the Secretary of the Treasury have struck the note of good financial sense and so has the Federal Reserve Board. They have been eloquent in what they have had to say regarding the need for a stable currency and a stable price system and I am sure they are determined. I have no doubt, however, that the most eloquent expression, that we could have, to top their resolution is the evidence of a balanced budget, but, as I say my guess is that we shall not be far from it in the ensuing year and I dare say that even with a balanced budget our economy will continue to grow, in spite of the professors.

Now I have rambled on, skipping from one subject to another. Perhaps I should return to my first thoughts which relate to businessmen and their responsibility to society and the public weal. Whether we be Germans or Americans, French, English, Italians—none of us can ignore that the great social and political forces that play around us in the modern world require statesmanship to deal with the problems of Europe and America and the underdeveloped countries in the world. Nor is all good to be found in the continuance of business prosperity. Statesmanship will frequently require the acceptance of harsh business sacrifices if we are to solve some of these problems.

Alan H. Rice, V.-P. Of John H. Small Co.

Alan H. Rice has been elected a Vice-President of John Small & Co., Inc., 25 Broad Street, New York City, underwriters and dealers in state, municipal and revenue bonds.

Mr. Rice, who has been with John Small & Co., Inc., for several years, was formerly with Bear, Stearns & Co.

Dealer-Broker Investment Recommendations & Literature

It is understood that the firms mentioned will be pleased to send interested parties the following literature:

Burnham View — Monthly investment letter — Burnham and Company, 15 Broad Street, New York 5, N. Y. Also available is current **Foreign Letter.**

California in the Next Decade — An address by Alan K. Browne—Bank of America, N.T. & S.A., 300 Montgomery Street, San Francisco 20, Calif.

Chemical Stocks—Report—Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y. In the same circular are also reviews of **Crane Company, Square D Company** and **White Motor.**

Double Hedged Securities—Review—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available is a report on **Plough Inc., Northwest Airlines** and **Cary Chemicals Inc.**

Government Aid to Small Business—Study—Sutro Bros. & Co., 120 Broadway, New York 5, N. Y.

Indian Budget and the Stock Market—Review—Harkisondass Lukhmidass, 5 Hamam Street, Bombay, India.

Investment in India—Opportunities and incentive—Review—Consulate General of India, 3 East 64th Street, New York 21, N. Y.

Japanese Stock Market—Study of changes in postwar years—In current issue of "Nomura's Investors Beacon"—Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available is a review of the outlook for Plant and Equipment Expenditures in Japan for 1959 and brief analyses of **Mitsubishi Heavy Industries, Nippon Flour Mills Co., Iwaki Cement Co.** and a survey of the **Steel Industry.**

Japanese Stocks—Current Information—Yamaichi Securities Company of New York, Inc., 111 Broadway, New York 7, New York.

Machine Tool Industry — Report — Thomson & McKinnon, 2 Broadway, New York 4, N. Y. Also available is a report on **Union Bag-Camp Paper Corp.**

New Legislation of the State of New York Improving the Security of Investments in School Bonds—Discussion—R. W. Pressprich & Co., 48 Wall Street, New York 5, N. Y.

New York City Bank Stocks—Comparison and analysis for first quarter of 1959—Laird, Bissell & Meeds, 120 Broadway, New York 5, N Y Also available is a study of the economy at the first quarter's end.

New York City Bank Stocks—Comparative figures for the first quarter — First Boston Corporation, 15 Broad Street, New York 5, N. Y.

Oil Refiners—Review—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Over-the-Counter Index—Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 20-year period — National Quotation Bureau, Inc., 46 Front Street, New York 4, N Y

Personal Stock Record for Every Stockholder—Complete stock transaction record, including company, date of purchase and sale, serial number, capital involved, dividend rates, balance due on margin account, long or short term gain or loss, etc. —Malcon Sales, Dept., C-8, Box. No. 8, Vanderveer Station, Brooklyn 10, N. Y.

Philadelphia Bank Stocks—Quarterly comparison of 11 Philadelphia Bank Stocks—Stroud & Company, Incorporated, 123 South Broad Street, Philadelphia 9, Pa.

Real Estate Bond and Stock Averages—Report—Amott, Baker & Co., Incorporated, 150 Broadway, New York 38, N. Y. Also available is the May issue of "ABC Investment Letter" with brief surveys of **International Harvester Co., Union Tank Car Company, Montana Dakota Utilities Company, Joseph Bancroft & Sons Co.** and **AMP Incorporated.**

San Antonio Banks—Comparison of stocks of the eight largest San Antonio Banks—Russ & Company, Incorporated, Alamo National Building, San Antonio 5, Texas. Also available is an analysis of **Portland General Electric.**

Speculation and the Corporate Risk—Discussion—Georgeson & Co., 52 Wall Street, New York 5, N. Y.

Undervalued Situations—Circular—Boenning & Co., 1529 Walnut Street, Philadelphia 2, Pa.

World Time Chart—Chart showing time differences in over 100 countries throughout the world as compared with New York Daylight Saving Time—Manufacturers Trust Company, International Banking Department, 55 Broad Street, New York 15, N. Y.

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Air Express International Corp.—Brochure—Troster, Singer & Co., 74 Trinity Place, New York 6, N. Y.

Alaens, Inc.—Report—Schweickart & Co., 29 Broadway, New York 6, N. Y.

Allied Chemical Corp. — Review — Hirsch & Co., 25 Broad Street, New York 4, N. Y. Also in the same circular are reviews of **Chain Belt** and **St. Regis Paper.**

Allis Chalmers Manufacturing Company—Data—Oppenheimer, Neu & Co., 120 Broadway, New York 5, N. Y. Also in the same circular are data on **Bethlehem Steel Company, Coca Cola Company, Pennsalt Chemicals, Radio Corporation of America** and **Timken Roller Bearing Company.**

American Marietta Company—Report—The Milwaukee Company, 207 East Michigan Street, Milwaukee 2, Wis. Also available is a report on **A. E. Staley Manufacturing Company.**

Brooklyn Union Gas Company—Analysis—Blair & Co., Incorporated, 20 Broad Street, New York 5, N. Y.

California Western States Life Insurance Company—Analysis —Sanford & Company, Russ Building, San Francisco 4, Calif.

Cosmopolitan Life Insurance Company — Analysis — Herman Bensdorf & Company, Commerce Title Building, Memphis 3, Tenn.

Detroit Harvester Company — Analysis — H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available is a review of **Speer Carbon Company.**

De Vilbiss Company—Data—du Pont, Homsey & Company, 31 Milk Street, Boston 9, Mass. Also in the same circular are data on **Halliburton Oil Well Cementing, Mack Trucks** and **Monsanto Chemical.**

Dravo Corporation—Analysis—Woodcock, Hess, Moyer & Co., Inc., 123 South Broad Street, Philadelphia 9, Pa.

Ekco Products—Analysis—Halle & Stieglitz, 52 Wall Street, New York 5, N. Y.

Electric Storage Battery Company—Analysis—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available are circulars on **Eastern Gas & Fuel Associates** and **General American Transportation.**

Graham Bell Ltd.—Analysis—Hancock Securities Corporation, 79 Pine Street, New York 5, N. Y. Also available is a review of **Mine Safety Appliances Company.**

Ling Altec Electronics, Inc.—Analysis—L. H. Rothchild & Co., 52 Wall Street, New York 5, N. Y.

Meredith Publishing Company — Circular — Stone & Webster Securities Corporation, 90 Broad Street, New York 4, N. Y.

Miami Window Corporation—Bulletin—De Witt Conklin Organization, 120 Broadway, New York 5, N. Y.

Monsanto Chemical—Review—Hayden, Stone & Co., 25 Broad Street, New York 4, N. Y. In the same circular is a review of **Craig Systems Inc.** Also available is the May issue of "Monthly Investment Letter" with data on **Texas Instruments, Stavid Engineering, Marquardt Aircraft, Itek Corp., International Minerals and Chemical, American Brake Shoe, Distillers Corp.-Seagrams** and **Riley Stoker.**

Moore Handley Hardware Co.—Data—Straus, Blosser & McDowell, 111 Broadway, New York 6, N. Y.

John Morrell & Co.—Analysis—Van Alstyne, Noel & Co., 52 Wall Street, New York 5, N. Y.

Pepsi Cola United Bottlers Inc.—Analysis—Hill, Darlington & Co., 40 Wall Street, New York 5, N. Y.

Powdrell & Alexander Inc.—Review—James J. Duane & Co., 70 Pine Street, New York 5, N. Y.

Radio Corporation of America—Memorandum—Goodbody & Co., 115 Broadway, New York 6, N. Y. Also available is a memorandum on **Southern Pacific.**

Reliance Life Insurance Co. of Georgia—Memorandum—Carlson & Co., 2023 First Avenue, North, Birmingham 3, Ala.

Rexall Drug Co.—Memorandum—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y.

Seeburg Corporation—Discussion in May issue of "The American Investor"—American Stock Exchange Investor, 86 Trinity Place, New York 6, N. Y. Also in the same issue are articles on the **Zale Jewelry Company, Shoe Corporation, Tilo Roofing** and **Dynamics Corporation of America.**

Simmons Co. — Memorandum — Green, Ellis & Anderson, 61 Broadway, New York 6, N. Y.

Sunray Mid Continent Oil Co.—Memorandum—J. A. Hogle & Co., 40 Wall Street, New York 5, N. Y.

Unilever N. V.—Memorandum—H. B. Shaine & Co., 1410 McKay Tower, Grand Rapids 2, Mich.

Vendo Co. — Memorandum — A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill.

Wells Gardner & Co. — Report — Cook Investment Company, 208 South La Salle Street, Chicago 4, Ill.

COMING EVENTS

In Investment Field

May 14-15, 1959 (Nashville, Tenn.)
Security Dealers of Nashville Annual party at Hillwood Country Club and Belle Meade Country Club.

May 15, 1959 (Baltimore, Md.)
Baltimore Security Traders Association 24th annual Spring outing at Country Club of Maryland.

May 15-17, 1959 (Los Angeles, Calif.)
Security Traders Association of Los Angeles summer party at the Biltmore, Palm Springs.

May 19-20, 1959 (Omaha, Neb.)
Nebraska Investment Bankers Association annual field day.

May 25-26, 1959 (Milwaukee, Wis.)
Association of Stock Exchange Firms Board of Governors meeting at the Pfister Hotel.

May 29, 1959 (Detroit, Mich.)
Basis Club golf outing at the Lakepoint Country Club, St. Clair Shores, Mich.

June 5, 1959 (Chicago, Ill.)
Bond Club of Chicago annual field day at the Knollwood Club, Lake Forest, Illinois.

June 5, 1959 (New York City)
Bond Club of New York annual field day at the Sleepy Hollow Country Club, Scarborough, N. Y.

June 5-7, 1959 (San Francisco, Calif.)
San Francisco Security Traders Association at the Santa Rosa Flamingo Motel, Santa Rosa, Calif.

June 8-11, 1959 (Alberta, Canada)
Investment Dealers' Association of Canada annual convention at Banff Springs Hotel.

June 11, 1959 (Boston, Mass.)
Boston Securities Traders Association summer outing at the Salem Country Club.

June 12, 1959 (New York City)
Municipal Bond Club of New York Summer outing at Westchester Country Club, Rye, N.Y.

June 12, 1959 (Philadelphia, Pa.)
Investment Traders Association of Philadelphia Summer outing at the Overbrook Country Club.

June 18, 1959 (Minneapolis-St. Paul, Minn.)
Twin Cities Bond Club 38th annual picnic and outing at White Bear Yacht Club, White Bear Lake, Minn. (preceded by a cocktail party June 17 at the Nicollet Hotel, Minneapolis).

June 19, 1959 (Bryn Mawr, Pa.)
Philadelphia Securities Association annual outing at the Overbrook Golf Club, Radnor Township.

June 25-27, 1959 (Hyannis, Mass.)
Consumers Bankers Association Atlantic States Sectional meeting, Wianno Club.

June 26, 1959 (New York, N. Y.)
Municipal Bond Women's Club annual outing at Seawane Harbor Club, Hewlett, N. Y.

June 26, 1959 (Philadelphia, Pa.)
Investment Association of Philadelphia Spring Outing at Whitford Country Club, Whitford, Pa.

Aug. 9-21, 1959 (Charlottesville, Va.)
School of Consumer Banking, University of Virginia.

Aug. 14-15, 1959 (Detroit, Mich.)
Basis Club summer outing at St. Clair Inn and Country Club, St. Clair, Mich.

Aug. 19-20, 1959 (Des Moines, Iowa)
Iowa Investment Bankers Field Day at the Waionda Country Club.

Monsanto Chemical Company And Its Resumption of Growth

By DR. IRA U. COBLEIGH

Enterprise Economist and Author of "How to Get Rich Buying Stocks."

Monsanto Chemical Co. is third largest in total assets and fourth in sales in its industry. But for the past several years Monsanto has not kept pace with the growth of its brethren. In 1954 it acquired Lion Oil Co., a fact mainly responsible for increase in sales from $342 million in 1954 to $522.3 million in the following year. Apart from that bulge, however, significant gains in sales or net have not been discernible for some time. While in most product areas demand has been sturdy, price competition in nitrogen, petroleum products and to some extent plastics have inhibited progress in profitability.

Ira U. Cobleigh

Last year was hardly a year in which to expect a resurgence of growth and Monsanto followed the general industrial trend by reporting lower sales, $548 million, against $567.1 million (all-time high) in 1957; and a net per share of $1.55 against $1.68 for the year earlier. All of which makes a rather bleak background for any review calculated to justify or encourage a confident attitude toword Monsanto common.

There is, however, a brighter side. An uptrend in earnings began to appear in the later months of 1958. It carried forward with greater vigor into the first quarter of this year, which produced a net of about 52c a share (against 27c for same 1958 period). Further, a broad look at the company today gives evidence that this rising-earnings curve may now be projected for some distance into the future. Not only are its main domestic chemical lines (plastics, resins, phosphates; agricultural, rubber, oil, textile and paper chemicals; and petroleum products) looking better, but Monsanto is benefiting from its 50% stock interest in four large and animate enterprises, Chemstrand Corp., Mobay Chemical, Plax Corporation and Shawinigan Resins Corp.

Chemstrand was started five years ago as a joint venture in partnership with American Viscose. It was planned as a large-scale producer of acrylic nylon fibers. It took longer than expected to get off the ground but now has struck pay dirt—so much so that Chemstrand paid, in 1958, a $5 million dividend (its first). Of this, Monsanto's half, namely, $2,500,000 was about 11c a share for MTC (N. Y. Stock Exchange trading symbol).

Mobay Chemical (half owned by a German partner) makes foams from urethanes, useful in the furniture, clothing and automobile industries. Plax Corp. is co-owned by Emhart Mfg. Corp., and is renowned as specialist in polyethylene plastic fabrication, and as the major producer of squeeze bottles — the kind that bounce instead of break if you drop 'em. Shawinigan Corp. makes synthetic resins.

Another area of Monsanto's activities that gives the Company a forward look is its extensive overseas expansion. Since 1953 Monsanto has increased its overseas assets by $118 million (total now $190 million). This large scale investment was the result of a decision some years ago, by Mr. Edgar M. Queeny, Board Chairman, to develop foreign sales by selling directly the products of plants abroad, rather than placing the major corporate accent on exporting from the U. S. The payoff for this program became apparent last year when foreign sales, disregarding exports entirely, amounted to about $100 million. Not only that but a couple of dozen major companies, including four chemical ones, have since espoused this policy of exporting capital abroad for plants, rather than relying solely on export sales.

Monsanto has a French company, Monsanto Boussois; a British company, Monsanto Chemicals, Ltd. (grossing around $50 million annually); Monsanto Canada Ltd.; and other subsidiary companies in Japan, Australia, India, Panama, plus a 40% partnership in Socedison, a major Italian chemical company. With all these units, Monsanto is exceedingly well placed to benefit from expanding sales in Great Britain and in the new and burgeoning European Common Market. (A capital outlay of $12 million has been allocated for overseas expansion in 1959).

In the United States, company headquarters are in St. Louis, with plants in 15 states. The Lion Oil Co. division centered in El Dorado, Arkansas, is a completely integrated oil company in itself, with around 8 million barrels of annual crude oil production; annual gasoline sales of around 115 million gallons from some 2,200 service stations; and a huge production of synthetic ammonia.

As a matter of fact Monsanto is one of the most completely diversified companies in the industry. Plastics, synthetic resins and coatings make up the most important percentage of gross sales—about 30%—with phosphates and detergents next, accounting for about 17%.

There is, increasingly, an understatement in Monsanto's earnings reports since the official per share figure given is based only on operations of the Company, and its domestic and Canadian subsidiaries. A consolidated statement, including not only the above, but the percentages of Monsanto's equity interests in net earnings of its associated companies, would show a much brighter picture. On this basis consolidated per share net for 1958 would have been $1.94; and for 1959 should be close to $2.50. Viewed in this light MTC is, at 48½, selling at around 19 times estimated 1959 earnings. For some industrials this might seem high enough; but for a chemical of the stature of Monsanto such a meager price/earning ratio, in this market, seems modest indeed.

The financial position of Monsanto leaves little to be desired with net working capital of over $130 million and a better than 3-to-1 current ratio. Capital structure consists of $172,870,000 in long-term debt followed by 22,256,600 shares of common listed on the New York Stock Exchange. Price of the common in the past decade has ranged between a high of 52⅝ (1955) and a low of 15¼ (1949). These prices are adjusted for a 3-to-1 split in 1955 (there was also an earlier 3-for-1 split in 1946). Considering the fact that MTC is today selling a few points below its 1955 high, and giving weight to the heavy plant investment and greatly enlarged corporate horizon in the years since, a fairly logical case may be made for the attractiveness of Monsanto at this time. Certainly it hasn't gone off on any speculative binge after the manner of certain more flamboyant issues.

Cash dividends on Monsanto have been paid without interruption for 34 years, the practice in the past six years being to pay out about 55% of net. Present dividend rate is $1 per share on the basis of which MTC today yields just a bit over 2%. This is scarcely an enticing yield but it could be improved by a higher cash declaration this year, and supplemented by a possible modest dividend in stock at the year-end—somewhere between 2% and 5%.

Many corporations these days are busily at work looking around for companies to merge unto themselves, so that they may attain corporate diversity and, mayhap, thus the better not only insulate themselves against a recession in future years, but provide a broader base for sustained earning power. Monsanto doesn't need to even think about this "urge to merge." It's well diversified already. Moreover, it has built up plant capacities in many fields which it simply couldn't use to the full last year, but which, in the more favorable economic climate we now enjoy, should earn well, what with stronger demands and firmer prices. In particular Monsanto's large scale and early-bird entry into overseas manufacturing gives it a decided edge over competitors particularly in the markets of United Kingdom and Europe. Monsanto management is talented and aggressive, and eager to see the company recapture the dynamic qualities it showed in the immediate postwar years. Monsanto is ready to grow some more.

Jas. Richardson & Sons Opens in New York

On April 1, 1959, James Richardson & Sons, Inc. commenced operations in New York at 14 Wall Street. The newly established corporation, which is an affiliate of the Canadian investment firm of James Richardson & Sons, will be engaged primarily in institutional business.

James A. Richardson and George T. Richardson, partners in the Canadian firm which marked its 100th year in business in 1957, are President and Vice-President, respectively, of the new corporation. Ralph D. Baker is the General Manager and Norman J. Alexander, Deputy General Manager. All of the above officers will serve as Directors. Gordon Lawson, J. T. Ellis and Joseph Monaghan have also been elected to the board of directors. Mr. Ellis has been appointed Treasurer while Mr. Monaghan will serve as Attorney for the corporation in New York. G. Peter Nares has been appointed resident manager in New York.

James Richardson & Sons, Inc., through its affiliation with James Richardson & Sons, which has offices in 26 Canadian cities from Victoria to Montreal, has immediate access to the Canadian firm's investment services.

The Canadian firm, which is a member of all leading Canadian Stock and Commodity Exchanges, will continue to maintain a close relationship with their U. S. correspondent of many years standing, Dominick & Dominick, New York.

Waldbillig, V.-P. of Halsey, Stuart & Co.

The election of Marvin W. Waldbillig as a Vice-President of Halsey, Stuart & Co. Inc., 35 Wall Street, New York City, has been announced.

W. G. Thornborough Opens

STATEN ISLAND, N. Y.—William G. Thornborough, Jr. is engaging in a securities business from offices at 1 Vine Street.

H. L. Turner, III, Opens

LEXINGTON, Ky. — Henry L. Turner, III, has opened offices at 1636 North Broadway to engage in a securities business.

Miller Opens Office

TULSA, Okla.—Harry F. Miller has opened offices at 1371 East 52nd Place, to conduct a securities business.

The European Common Market: Industry's Hopes and Fears

By LEON BEKAERT*
President of the Federation of Belgian Industries

There is a lot to be learned in this incisive review of mingled hopes and fears resulting from the electric shock caused by recent European moves and of the numerous ways the liberalizing effects of the Common Market can be thwarted. The spokesman for Belgian industries credits anxieties for stimulating greater effort to secure a better place in the wider market, and finds in this economic progress and regained dynamism. Nevertheless, Mr. Bekaert reports: adjustments necessitated by expansion comes at an inopportune time of economic recession; there is a need for economic and monetary coordination; inadequate attention has been paid to exchange rates; and implementation of ECM may lead to unwieldy and inefficient bureaucracy. On balance, the industrialist sees hopes triumphing over all obstacles including economic nationalism.

January 1, 1959 was marked by an event of great significance, not only to the economy of the European continent, but to world economy as a whole. On that date, the six member countries of the European Community took the first practical step in the gradual process of removing customs and quota restrictions. By 1973, at the latest there will be only one single market for a population almost equal to that of the United States. The achievement of this union will result in a spectacular improvement of European productivity and social conditions and, we believe, will provide its people with a standard of living comparable to that of the United States.

L. A. Bekaert

In the six countries, the concern of governments has been to smooth out the process of adjusting national economies to the new formula of the Common Market.

Countries outside the Community, under the leadership of Great Britain, initiated negotiations aimed at the establishment of a Free Trade Area which would include the Community of the six. There is a great likelihood that this will be achieved in a way which does not interfere with the effective functioning of the EEC. The fundamental problems of a wider free trade area, now being named the European Economic Association, do not differ essentially in their nature from those in the Common Market.

Mixed Hopes and Fears

However, my purpose is less with these problems than with the new spirit stimulating the European private sector, which undoubtedly is very much aware of the existence of the Common Market. Europe today is seething with plans and studies of every description, initiated by the different sectors of industry. Yet, this regained dynamism is mingled with fears which vary from country to country, from one sector of industry to another, and even between enterprises in the same sector.

In giving my address the title **"The European Common Market: Industry's Hopes and Fears,"** my intension was to show that the perspective of the Common Market are contrasting ones. European industrialists today must have very much the same feelings as our racing cyclists before the start of a *Tour de France!* Many hope to finish first or at least in a good place, while a few fear that they will lose or have to abandon the race altogether. Each one fears his rival will emerge with the success he hopes for himself, while all — even the strongest—fear the consequences of bad luck or unavoidable mishap.

The position at the start is not identical—neither among each of the Six Common Market countries nor from one sector of industry to another or one enterprise to another.

The hopes of one are at the same time a cause of apprehension for others. The smaller countries fear the vaster competitive potentiality of the larger countries whose industries, they feel are better adapted to mass production and more accustomed to broad economic horizons.

Small- and medium-sized companies wonder what their fate will be when faced with a more active foreign competition from firms of larger size. The more rigidly protectionist countries fear for their most cherished industries, which, with the disappearance of customs duties, will risk losing their markets to other industries in free-trading countries, more self reliant and accustomed to the realities of economic life.

An Inopportune Time

This tremendous effort, which, one might say, has been generated into life by the electric shock of the Common Market, coincides with a period of economic recession in which adjustment of industry encounters serious difficulties and often is accompanied by tragic social consequences. Adjustment in a period of economic expansion undoubtedly is a great deal easier, but unfortunately in such periods the incentive is less.

The fear of competition as well as the hope of being more competitive have stimulated a vast effort of structural reorganization and urgent reconsideration of the best utilization of the means of production.

* * *

The application of the Treaty has engendered fears, but at least one of them has already disappeared thanks to the decision taken at the end of last year by the French Government. As General de Gaulle put it, France will accept its full share of obligations, which means she has no intention of resorting to some of the escape clauses contained in the Treaty governing the European Economic Community. This enabled the Common Market to get off to a good start. Along with the sweeping international economic and financial measures taken last year, the French Government has freed up to 90% of its imports from the OEEC countries in fulfillment of its contractual obligations.

To what extent may we consider the fears left as justified?

First of all, the Common Market, in essence, is a customs union of which the principal elements are the free movement of persons, goods, services, and capital on one hand, and the establishment of a common customs tariff for dealings with extra-Community countries on the other hand.

Taking the Benelux experiment as an example—another customs union on a small scale, but a forerunner to a much wider market—we can look forward to a sizable general expansion of intercommunity trade in the overall trade of the countries which are members.

For instance, under Benelux exports from Belgium to the Netherlands were practically doubled. On the Dutch side, also, import and export figures increased, though to a lesser extent.

Despite these consequences which encourage trade and production in the different countries, this direct competition is neither easy nor beneficial to all and each of our industries at the very beginning.

For some of them, like the iron and steel industry, there will be no change: here the Common Market is already in operation, the ECSC having formally come into being in February of last year.

Discusses Impact on Other Sectors

With regard to other sectors, the heavy industries in particular will have to meet, in the atmosphere of expansion of the Common Market, a considerably increased demand from the outset. But, for the consumer goods industries, already over-equipped in many cases, a more selective process is to be feared since expansion to meet demand cannot be achieved except at the cost of a considerable modernization effort or the development of specialties to play a proportionately greater part in the wider market. It is in this sphere that the ingenuity and imagination have to be used in selection from a wide range of those specialties which offer most profit in an enlarged market.

In estimating future developments, one must take into account the extent of protection hitherto given to different branches of industry, variable according to the country and the sector.

For example, in industrial sectors where Benelux customs duties have been low, the domestic market of the three countries concerned is unlikely to be swamped with foreign goods. On the other hand, the gradual removal of the strongly protectionist trade barriers in France and Italy will probably mean added export opportunities to those areas. The same holds true in the rare cases where Benelux markets have been more protected than the three other Community countries.

Another important factor will be the level at which the customs tariff—which is not yet common to all the countries concerned—is fixed. This tariff is to be put into effect on Jan. 1, 1962. For the Benelux countries, essentially importers of raw materials for processing, the prospect is one of a rise in the cost by comparison with French and Italian industries. The tariff will, in accordance with article 19 of the Treaty, be the average of the duties hitherto applicable to the four customs territories concerned, which would place it somewhere halfway between the present Benelux and German tariffs on one hand and those of France and Italy on the other. As a result, raw materials and finished products may cost more than before in Benelux while France and Italy will pay less than they have done so far.

In weighing these advantages and disadvantages, account must also be taken of the size of the industrial enterprises. The key problem, for large as well as for small concerns, is undoubtedly to enlarge to the optimum technical capacity compatible with their range of production.

Room for Medium and Small Firms

For countries such as Belgium, however, possessing a large number of small- and medium-sized enterprises, it would seem that there will be a trend toward the creation of production units of larger size, at least in those branches which will have to face, without the protection of customs barriers, the competition of larger industrial groups in adjoining countries. Not that such an evolution is inevitable in every branch of activity. The example of the United States will show adequately that considerable place will remain in the Common Market for a large number of medium-sized enterprises specializing in certain productions, or, alternatively, working as subcontractors for large firms.

This, after all, is merely the continuation in the Common Market, on a larger scale, of a trend already existing in certain branches of European industry. It is a trend which promises increased productivity, but which also causes some anxiety to companies unable to decide exactly which form of production to develop or which to abandon.

Individual choice will, in any case, often be impossible. Cooperation between independent producers will often be indispensable, more particularly through the agreements permitted under the Common Market Treaty. Far from disappearing under the Common Market, the prospect is that small- and medium-sized industry will have new possibilities for expansion.

Special attention must also be paid to certain factors which, if not put right by adequate measures, may jeopardize the proper functioning of the Common Market.

Jeopardizing Factors

Take first of all the section in the Treaty concerning agriculture, which provides an exception to the rule of general free trade without quotas, and to which certain agricultural industries and food industries processing agricultural products are legally subject. Reference is made in Article 40 of the Treaty to a common organization of agricultural markets permitting the introduction of such measures as price control, subsidies for the production and marketing of various products, common mechanisms to stabilize importation or exportation, and so on.

A policy of this kind, allowing the enforcement of such measures to control agricultural markets, threatens to be merely a repetition of the control practices hitherto in use in narrow and partioned national markets.

In the absence of a real common agricultural policy, adequately based on broad freeing of agriculaural products and upon a more intensive international division and specialization of production, industries engaged in the processing of agricultural produce, especially in small countries like Belgium, will be unable to make use of expansion opportunities offered by large scale production. The same industries in the larger countries of the Community will do so from the start.

There are other provisions also in the Treaty which lend support to this fear of economic nationalism.

Note, for example, the tendency which has recently come to light of seeking to replace the lowered customs duties by a corresponding readjustment of the internal tax on turnover levied upon the imported product.

There are other ways for national protectionism if authorities of various countries want to reduce the liberalizing effects of the Treaty. For example, the case of public monopolies for the production and sale of certain products, concealed measures designed to protect national industries and materials in public bids, regulations on marks of origin, regulations to protect public health, and others.

The Treaty Is Realistic

Yet, the Rome Treaty is more than just a project to remove tariff and quota restrictions with the aim of progressively forming a customs union among the six countries. It comprises also a great number of provisions designed to equalize different economic factors such as production costs and methods so as to make more effective a healthy competition among the member countries.

For the authors of the Treaty have realized that a Common Market which would be limited to a simple customs union, without any accompanying harmonization of competitive conditions and laws which affect economic, trade and social policies, would be little more than delusive for the more liberal and socially more progressive countries.

As to the establishment of healthy conditions of competition within the Common Market, the Treaty prohibits agreements between enterprises and concerted practices which are likely to affect trade between the Member States by distorting competition. Similarly, action by one or more enterprises to take improper advantage of a monopolistic position is also prohibited.

While it is necessary to prevent abusive use of such agreements aimed at preventing competition, it is also essential that these prohibitions be interpreted in a realistic way.

Progressive agreements of the kind I spoke of earlier with regard to specialization and cooperation between enterprises are, on the other hand, expressly recognized by the Treaty.

The Treaty also prohibits Government assistance in any form whatever (direct subsidies, fiscal privileges, etc.) which may have the effect of distorting competition in favor of certain enterprises or products. This is a field in which Government intervention has been very active in permitting certain economic sectors to set prices which bear little relation to economic reality and in maintaining production units which would have disappeared under the normal play of competition.

The solution to this problem, however, will be extremely complicated, interlinked as it is with the economic and fiscal situations of the industries affected and the exceptional provisions contained in the agricultural section of the Treaty, maintaining certain subsidies for agricultural products which serve as raw material for the food-processing industries.

Requires Firm Action

In any event, no matter how complicated the problem may be, it is essential that firm action be taken by the European authorities to put an end to the artificial price systems from which certain industries are able to benefit at the present time, but which are detrimental to industries in other member countries.

In social matters, on the other hand, that is, as regards wage costs and social charges, other factors affecting the respective competitive position of the different partners of the Common Market, Belgium is at a disadvantage, except for her increased productivity, despite a certain trend toward leveling off.

High wage-paying industries obviously hope for equalization of costs toward their own level while low wage-paying industries are extremely fearful of the con-

*An address by Mr. Bekaert before the Belgian Chamber of Commerce in the United States, New York City, April 27, 1959.

sequences of an increase in their labor costs.

Coordinating Economic and Monetary Policies

As regards the coordination of economic and monetary policies, the Treaty merely provides for cooperation between national administrations and central banks and for the setting up of an advisory Monetary Committee to follow the monetary and financial evolution of the member countries. The absence of any adequate coordination of such policies, however, could very well lead to serious difficulties. For example, the full employment policy of one country could easily be impaired by a deflationary policy applied by another country for purely monetary reasons.

Similarly, in the crucial matter of foreign exchange rates, the Treaty confines itself to saying that "each Member shall treat its policy with regard to exchange rates as a matter of common interest." This seems inadequate when one considers the serious effects that an inopportune monetary adjustment may have upon competitive conditions between industries in the member countries, not to mention the disastrous effects it also may have from the social and employment standpoint.

The last aspect I refer to, a favorable one this time, concerns the effective implementation of the Common Market and the rapidity with which the principal institutions of the European Economic Community and of the Euratom have been set up within a month of the effective entry into force of the Treaty. In the first years of operation of the Community, these institutions have shown considerable vigor and competence. It is Belgian industry's hope that they will continue to face up to their immense task without falling into the error of unwieldy and inefficient bureaucracy.

I should not like to let this opportunity pass without saying something about the Economic and Social Committee which has been established to advise the two new Communities upon the more important questions and problems arising for the Community. Comprised of representatives from the private sector, the most highly qualified in the economic and social life of the Community, this Committee symbolizes in a practical manner the contribution which European industry in general and Belgian industry in particular is making in forming a new Europe. I am particularly happy to say that the presidency of the Economic and Social Committee for the European Community has been entrusted to the Executive Director of our Federation of Belgian Industries, Mr. Roger De Staercke.

So now you have seen that fears and hopes mingle in this review of the functioning of the Common Market. Some fear intensely the competition of others and, because of that fear, are stimulated into greater effort to secure a better place for themselves in this wider market. In this, we find the definition of economic progress and economic dynamism.

On Final Balance

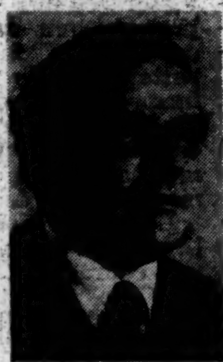
I believe that, in the final balance, it will be the hopes which will triumph after overcoming all obstacles.

Our friends in American industry are already helping us, and I hope they will help us still further to go forward successfully with this Common Market. For, hard competitors as they surely are, American industries are welcome in Belgium. Their presence stimulates our spirit of industrial renewal and strengthens our determination to press forward in the same way as a runner in a race finds his ardor redoubled by the healthy fear he has of other first-class runners.

Outlook for Investors In British Securities

By PAUL EINZIG

British columnist assesses the pessimistic and optimistic factors regarding outlook for British equities and concludes that "on balance the optimists are more likely to prove to be correct than the pessimists." Sees: (1) stronger sterling position tending to lower discount rates which may induce lowering Bank rate to three and one-half per cent; (2) increased American investments in British securities possibly discouraging nationalization should Socialist win the next election; (3) difficulties over Berlin and likelihood of labor difficulties adversely affecting equities; and (4) advantage to the Government if labor were to strike for an unjustified wage.



Paul Einzig

LONDON, England—After some initial hesitation, the London Stock Exchange responded favorably to Mr. Macmillan's decision to defer the general election at least until the Autumn but much more probably until next Spring. Investors now feel they can afford to forget for the time being the threat of a Socialist Government and concentrate their attention on the prospects of a business revival. And those prospects appear to be bright just now. Unemployment continues to decline, and production is on the increase. The cost of living remains remarkably stable, which means that the Government feels it can afford to continue to stimulate business revival without running an immediate risk of inflation.

Possible Lower Interest Rates

It is no wonder there is a widespread anticipation of an impending boom in Britain. Sterling has been remarkably steady for some time in the close vicinity of its upper limit of $2.82. Had it not been for the acquisition of dollars and gold by the authorities, sterling would have risen well above its upper limit. The authorities have acquired substantial amounts of gold during April. The publication of the figures of the increase in the gold reserve is bound to reinforce optimism about business prospects. For one thing, the evidence of a further strengthening of sterling's position will tend to lower discount rates, which again may induce the Bank of England to lower the Bank rate to 3½%.

There is a widespread feeling that 1959 will witness a noteworthy increase in profits. The increase in wages has slowed down, so that there may be no need to cut profit margins through inability to pass on to the consumer the increased cost in the form of higher prices. It is now generally expected that a large number of industrial firms will increase their dividends substantially. They will do so because it is now easier to raise capital than it was during the credit squeeze, so that it is no longer imperative to finance expansion out of retained profits. Moreover, it is considered expedient, in anticipation of a Labour Government to pay out higher dividends. It is the declared intention of the Labour Party to impose a limit on dividends. It stands to reason that such statutory limit would depend on the level of dividends paid out in recent years. This means that it is to the interests of industrial firms to ensure a relatively high limit by raising their dividends before a change of government occurs.

There is a widespread anticipation of increased American buying of British industrial equities. Apart from the direct effect of such a demand on Stock Exchange prices, it tends to generate optimism among British investors in respect of the prospects under a Socialist Government. For it is assumed that American participation in the capital of British firms—whether through widespread American holdings of relatively small blocks or through holding of large blocks by American firms—would discourage a Socialist Government from adopting extreme measures against privately owned industries.

During the period of the last Labor Government in 1945-51, the financing of Socialist policies depended on American financial assistance—the big loan of 1946 and Marshall Aid. There is no reason to suppose that it would be otherwise under the next Labor Government. That being so, such a Government could not afford to antagonize influential American interests by being unduly hard on British industrial firms in which there is American participation. Indeed, such participation has come to be regarded as a kind of insurance against Socialist expropriation and victimization. For this reason, British investors are inclined to favor equities for which there is American demand—a fact which redoubles the effect of American buying on the Stock Exchange prices of the equities concerned.

Sounds Note of Caution

It is necessary, however, to sound a note of caution against overbuoyant optimism. The coming negotiations over Berlin are likely to be difficult, and it would be a miracle if war scares did not arise as a result of a threatening deadlock. But on the whole the chances are that some form of settlement will be reached, in which case the optimism arising from an improvement of the international political situation would greatly accentuate business revival and Stock Exchange boom. But pending the achievement of such setflement there are bound to be some tense moments liable to cause a setback on the Stock Exchange. Genuine investors who can afford to hold on to their equities can afford to disregard such setbacks in anticipation of a favorable final outcome of the negotiations.

Another danger spot is the likelihood of labor difficulties in British industries. The fact that the Amalgamated Engineering Union has now come under Communist control and is determined to press forward with demands for substantial wage increases and a shorter working week for its 3 million members shows the extent of the danger. The threat of major strikes is not imminent, however. It may take some months before the pending wage demands will mature, and that will bring us into the Autumn. No major strike is likely to upset the Stock Exchange during the Spring and the Summer.

Should the cost of living remain reasonably steady between now and the Autumn, wage demands are likely to encounter firm resistance. While in the past the Government was inclined to favor the appeasement of the Trade Unions, this time it is likely to stand firm. The stability of prices provides full moral justification for such firmness. The political argument is also in favor of a resistance to wage inflation. Last year it was the unpopularity of the London autobus strike, and the popularity of the Government's firm stand resisting it, that resulted in an increase in the popularity of the Conservative Party in the country. It would be an advantage to the Government from an electioneering point of view if the Trade Unions were to embark on a major strike in support of unjustified wage demands. By resisting such a strike the Government could ensure victory at the general election, especially if it were to become evident that the strike is largely Communist-sponsored. The Socialists are well aware of this, and they are likely to do their best to dissuade the Trade Unions from taking rash action.

This means that even though the immediate effect of a major strike would be unfavorable to Stock Exchange prices, in so far as it would tend to improve the Government's chances of winning the election it would lead to a further improvement, provided, of course, that the strikes are not unduly prolonged or paralyzing, and that their settlement does not lead to an inflationary round of wage increases. Taking everything into consideration, it appears that on balance the optimists are more likely to prove to be correct than the pessimists.

F. P. Palen Joins Granbery, Marache Co.

Frederick P. Palen is now associated with Granbery, Marache & Co., 67 Wall Street, New York City, members of the New York Stock Exchange, in the research department.

Allan S. Feldman Opens

Allan S. Feldman & Co. has been formed with offices at 342 Madison Avenue, New York City, to engage in a securities business. Partners are Allan S. Feldman and Gilbert Gertner.

Gallon Secs. Opens

Jerome P. Gallon is conducting a securities business from offices at 507 Fifth Avenue, New York City under the firm name of Gallon Securities Co. Mr. Gallon was formerly with First Investors Co. and Glickman Securities Corp.

Businessman's Responsibilities In Domestic and World Affairs

By PHILIP D. REED*

Formerly Chairman of the Board
Now Chairman of the Finance Committee, General Electric Co.

Prominent industrialist maintains business can succeed only to the extent it contributes to the people's well-being. Asserts government, labor, and business have grown out of balance; and if free society is to survive, business must recapture its rightful place. Mr. Reed concludes that to achieve this aim, businesses must organize themselves adequately.

We are met here in our capacity as businessmen. I use that term in the broadest sense because our membership embraces the full spectrum of private industrial, commercial and financial enterprise. We make and sell an infinite variety of things and services designed to make life more satisfying and secure. We compete with each other in the marketplace, and needless to say, we strive for that elusive but indispensable emblem of success, a profit, from which futures are built through research and continued investor support.

Philip D. Reed

Let us consider for a moment some of the factors that influence the success or failure of a business in a free-market economy. First and foremost must come the overall competence of the individual or individuals who direct the business. It is axiomatic that a businessman who operates at a loss is a liability to the community and will not long remain a businessman.

But this is only the beginning of the story. The profit and public service potential of any business—given reasonably competent management — will vary tremendously depending on the economic, political and social climate, or environment, in which it operates. No one will question that the progress and capacity to serve of a business enterprise will be importantly affected by, for example, such things as these:

A friendly and cooperative—as distinguished from a hostile—community attitude toward business in general or toward the particular business.

A prudent — as distinguished from irresponsible — fiscal policy which, while designed to meet the legitimate needs of a progressive community, does not discriminate against business or discourage new investment.

A government in which both the legislative and executive branches understand and support the principles of free competitive enterprise, and so conducts itself as to maintain a sound national currency and clear incentives for its people and institutions to work, save, invest, research and grow.

A citizenry that is informed and articulate in such matters as the educational needs of the community and country, the causes and dangers of inflation, the importance of world trade and travel, and the significance of the ever-increasing interdependency of the countries of the world.

This list could be extended almost indefinitely, but perhaps I have said enough to make the point that the opportunity of any business to serve, to grow and to prosper varies directly, and importantly, with the understanding and the attitude of the people who make up the community or the nation of which that business is a part.

*An address by Mr. Reed before the International Chamber of Commerce, Washington, April 20, 1959.

A Businessman's Duty

It would seem to follow that the businessman — quite apart from his general duties and responsibilities as a citizen—has a clear duty to his own enterprise, his employees and shareholders, to improve his company's growth and profit potential by doing anything and everything he can to create an ever better business climate in his own community, be it local, national or international.

It may also be said that businessmen — because they actuate and implement the competitive enterprise system and therefore should understand it best—are in a sense trustees of this priceless possession, for the benefit of all the people. As such they are duty-bound to preserve and protect it and to sound the warning far and wide when it is threatened by misguided or deliberate attack.

It is the purpose of this first general meeting of the 17th Biennial Congress of the International Chamber of Commerce to explore the subject of the businessman's responsibilities in domestic and world affairs. As your Chairman, it is my task to portray the broad scope and dimension of this profoundly important inquiry, and then to present to you my colleagues on this program who will develop what in our view are the principal aspects and facets of the businessman's responsibilities in domestic and world affairs. It is my hope that in this presentation and the discussion to follow we can get through and beyond the broad generalizations with which almost everyone would agree, and spend as much time as possible considering precise and specific things which businessmen can and must do to help build a more productive, progressive and peaceful world.

Four Key Areas

There are, needless to say, many differences in the traditions, customs and bodies of law of the many countries here represented. It would be both impossible and inappropriate to suggest a single formula—unless, indeed, it be universal membership in the International Chamber of Commerce!—to guide our approach to a definition of the businessman's overall responsibility. It seems to me, though, that in addition to the immediate duties assigned to his business position there are four broad areas that have a real claim on the time, thought and action of every businessman. These areas may be defined as follows:

(1) **The area of public affairs** which includes, but is not limited to, politics. Here is involved the whole broad problem of participation in community affairs and of relations between the company and its neighbors. Neighbors include the teachers, the clergy, local businessmen and the womenfolk, as well as political representatives—local, state and national. There is no substitute for good corporate citizenship at every level, and if we businessmen hope to be listened to on issues, big or little, we must first earn a reputation as thoughtful, interested and forward - looking citizens in the communities in which we live.

(2) **The area of education,** which embraces not only in-plant education in the several business functions, but the whole broad subject of cultural as well as scientific and technical education, including the financial support of colleges and universities. In a very real sense, the future of any country is dependent on the quality and capacity of its educational institutions. In these matters, business has a truly vital interest.

(3) **The area of economics,** and more particularly the laws, practices and attitudes that affect the vitality of the competitive enterprise system and the incentives so necessary to its development and growth. Widespread economic understanding could and should be the bastion of our competitive enterprise system. That such understanding is seriously inadequate —and some of it in high places— constitutes an ever-present danger and, in part at least, a reflection on the business community. This area also embraces such vital problems as inflation, balanced budgets, wage-price spirals and money management, about which the views and influence of businessmen should surely have important weight.

(4) **The area of international affairs,** which includes but is not limited to such matters as the importance and development of world trade, and the problems of international investment with which this Chamber has long been concerned. These subjects and many others in the area of international affairs will be discussed and debated by highly competent businessmen in the course of this 17th Congress. Speaking of the United States, the principal problem here is to enlist the interest of a very much larger number of our businessmen in international problems and affairs. In this rapidly shrinking world, they confront and affect us all.

Here, then, are four broad areas in which we businessmen must, in my view, broaden and deepen our understanding, our active participation and our influence if we are to discharge our full obligation to society and to the institutions we serve. If we as a group continue to turn our backs on participating in public and political affairs; if we leave to government and others all the problems, including the support, of educational institutions; if we concern ourselves only with making the best of economic conditions as we find them and not at all with the task of improving them; and if we regard the economic and political condition of other countries as none of our business — then, it seems to me, we will have only ourselves to blame as we watch the global erosion at the foundations of a free society.

One may well inquire as to the reason for this clear need of a broader outlook and a wider base of action by businessmen, big and little, the world over. The reason, I submit, rests on the solid truth that a free society is endangered when the great forces within it are too long out of balance.

Impact of the Great Depression

We all remember that the depression of the 1930's gave birth not only to importantly enhanced, and probably needed, power in the hands of labor, but also to more and more pressure on governments to alleviate the distress of that decade by taking on new and unaccustomed responsibilities in the fields of economic and social planning, regulation and assistance. Then followed World War II which resulted, of necessity, in a degree of governmental regimentation and economic control hitherto unknown. Then came the post-war years—characterized by high demand, shortages of al-

Continued on page 37

Securities Salesman's Corner

By JOHN DUTTON

"Gimmicks" Won't Create Sound National Credit

The vast majority of professional investment securities men have long been aware of the reason why United States Government bonds have been losing favor with investors. Yet they have been reluctant to speak out either collectively or individually. This reticence has been very much in evidence even when discussing the possible sale, or switching of government bonds, into other investments with individual clients. The fear of criticism for suggesting such a policy, even when investor clients could have improved their net income return, or brought their account into better balance as between fixed income governments and a more realistic proportion of desirable equities, has possibly been the motivating reason for not recommending this indicated procedure.

Like many other areas of our life today, there are few who have the courage of their convictions and the guts to back them up with action. There is a notable silence among most of the influential business and financial organizations in the country on the subject of the real reason for the decline in credit standing of the United States of America and the lack of investor interest in its outstanding securities. Only recently have a few very tempered statements been placed before the public on this subject but, in the main, the policy of "Don't Rock the Boat," and go along with the *status quo* and hope for the best seems to be the prevailing attitude.

Next Will Come Quack Remedies

The only way to restore investor interest in government bonds is to make these bonds the best, as well as safest investment in the world. The only way to do this is to elect a Congress that will **Place the nation's solvency and credit first and above all other considerations.** Not only should our budget be balanced, but a surplus should be created in years of good business, and the surplus should be used to carefully and intelligently retire outstanding bonds. After this has been established as official policy then and only then should we appropriate what is available from the revenues of the Federal Government for necessary expenditures. Such a program, if it could be effected, would restore public confidence in government bonds.

A nation that could demonstrate that it could live within its income, after almost 30 years of wasteful and extravagant fiscal mismanagement of both its income and outgo, would attract the confidence of investors in every quarter of the globe. And the experience of West Germany and Japan during the past few years proves that it can be done. Financially, both these nations are now beginning to appear as the victors in the past great war.

But instead of coming to grips with the real reason for the current weakness of the government bond market, we will very likely be offered panaceas of one sort and another, some of which are already making their appearance. One such suggestion is to set up a national lottery; the profits of which could be used to pay off debts of the Federal Government. Another is to sell government bonds with partial or complete tax exemption. Someone else suggests that government bonds be drawn by lot periodically and the holder of the lucky bond would receive a fat profit thereon (another switch on the lottery proposition).

Then we have those who would set up a plan for figuring the amount of depreciation we will have in our currency at stated intervals and the Treasury will then add that percentage to the fixed income that it will pay on its bonds. Such an idea is supposed to make government bonds more attractive. This would encourage inflation on the one hand, admit the government's inability to cope with it, and dig into the till to obtain the extra dollars to pay an additional sum on our bonds as inflation continues to eat the vitals out of the country. All such ideas will do as much good in solving the nation's credit problems as it would to give a cancer victim aspirin.

33rd Year for Oscar Krafts

LOS ANGELES, Calif.—Esther and Oscar Kraft on May 5 celebrated the 33rd anniversary of their marriage in Denver on May 5, 1926. They have 3 children, Tony, Mike and Carol, and 5 grandchildren.

Oscar F. Kraft

Mr. Kraft in July will complete 40 years in the investment business. He is President of Oscar F. Kraft & Co., specialists in wholesaling over-the-counter issues.

Now With Ross, Borton

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Warren E. Sladky is now connected with Ross, Borton & Co., Inc., The 1010 Euclid Building. He was formerly with Livingston-Williams & Co.

Central States Adds

(Special to THE FINANCIAL CHRONICLE)

MANSFIELD, Ohio—Joseph M. Strayer has been added to the staff of Central States Investment Co., Walpark Building. He was formerly with Saunders, Stiver & Co.

With Thomson, McKinnon

(Special to THE FINANCIAL CHRONICLE)

LIMA, Ohio—Philip E. Griner is now associated with Thomson & McKinnon, 121 West High St.

With Clayton Secs.

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — George S. Jones has become affiliated with Clayton Securities Corporation, 79 Milk Street.

Now With P. de Rensis

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Maurizio P. Rendini is now with P. de Rensis & Co., Inc., 126 State Street, members of the Boston Stock Exchange.

With Townsend, Dabney

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. Appleton King has become connected with Townsend, Dabney & Tyson, 30 State Street, members of the New York and Boston Stock Exchanges.

Public Utility Securities

By OWEN ELY

Greyhound Corporation

Greyhound Corp., operator of a nationwide fleet of nearly 5,600 buses, in the past seemed a rather colorless stock. Earnings "made a line" around the $1.25 level for some years, but the stock paid a $1 dividend, affording a liberal yield. Arthur Genet, President, was installed in 1956 and initiated a program of diversification, but resigned in August, 1958, presumably because he had had trouble in getting some of the new activities out of the red—though regular operations had also been handicapped by bad weather.

He was succeeded by Frederick Ackerman, who has been an operating executive of the system for 32 years. Mr. Ackerman initiated a stringent economy campaign and terminated some of the new activities such as the "U-Drive-It" division of Greyhound Rent-A-Car. Negotiations for the sale of the Vehicular Leasing Division were concluded in February this year by selling long-term leases to the Commercial Credit Company, with Greyhound sharing equally in net profits of these leasing operations for five years. The decision to liquidate the Rent-A-Car division resulted in added loses which were largely absorbed in the 1958 earnings (although some adjustments may remain to be taken in 1959).

Greyhound's operations aggregate about 102,000 route miles and comprise a vast network throughout the 48 states, the District of Columbia, and Canada, serving almost all of the principal cities. The company has now acquired the minority holdings of various operating subsidiaries, which had been held largely by railroads, and these are now operated as divisions.

Bus operations contribute about 90% of revenues and include handling of passengers, package express, mail, charters, and tours. Post Houses, operating restaurants, account for about 7%; and Greyvan, which is engaged in the moving and storage of household furniture, contributes some 3%.

The company has, like the railroads, suffered in the past from the competition of automobiles in short-haul (15 to 50 miles) business, but this loss is now leveling off. The average length of ride (now 103 miles) is also increasing which is favorable from a profit standpoint. Buses continue to be the most economical form of transportation and in most areas there is still a comfortable cost margin under rail and air competition on long haul fares. Bus fares average about 2½ cents a mile, railroad 3 cents, and airline 4½ to 6½ cents.

Like all utilities, the company has practically no credit losses and very low inventories. It rents all tires on a mileage contract basis. By concentrating maintenance work on buses at five large centers, inventories and labor costs are being reduced. Better control of operations in 1958 resulted in a reduction of more than one-eighth in the number of employees. With better loads bus-miles decreased 4% despite an increase of nearly 4% in revenues.

The company does not expect to buy any new buses until 1961, when it may need about 500 units—but the initial cost of these units will be offset by the sale of at least that number of fully depreciated buses. Only 15% of the purchase price of new buses is in cash, the remaining serial payments being financed by depreciation charges. The company is anxious to improve the engine performance of its buses, and is working with several manufacturers both here and abroad on engine research.

Bus miles in 1958 were reduced to 496 million mainly through elimination of low revenue-producing operations. With the aid of some rate increases the company was able to increase average bus revenues by nearly 4 cents a mile, as compared with a gain of 1.8 cent in expenses (mainly due to higher labor costs).

New two-year labor contracts were negotiated during 1958. These added about $2.2 million to labor costs in 1958, and will add about $7.5 million more in 1959. The company plans to offset these increased costs with larger traffic and collateral revenues, tighter control of expenses, better use of buses and where needed by rate increases.

Greyhound earned $1.25 per share in 1958, a gain of 3 cents over the previous year, but 2 cents less than 1956 earnings. However, this figure was after giving effect to the operating losses of Rent-A-Car, including original acquisition costs, all of which (after income tax credit) were equivalent to 35 cents per share. Thus excluding Rent-A-Car, earnings for 1958 were equivalent to $1.60 per share compared with $1.26 per share in 1957. The company also improved 1958 to $21 million compared to $13 million in the previous year, and an increase of $39 million is expected for 1959.

In a recent talk before the New York Society of Security Analysts, President Ackerman stated that the outlook for 1959 is very favorable. Continued efforts are being made to reduce expenses and improve bus utilization. First quarter earnings were 15 cents a share compared with a loss of 13 cents (partially due to stormy weather) in the first quarter of 1958. If the present trend continues, the company's earnings are expected to exceed the $1.60 earned in 1958 (excluding Rent-A-Car). According to a Dow-Jones news item, the company may increase the $1 dividend rate late in May.

The stock advanced sharply on these bullish reports. It has been selling recently on the New York Stock Exchange around 22¾ compared with this year's range of about 23-17½ and last year's 19-14½. At 23 the stock yields 4.3% and sells at 18.4 times the actual 1958 earnings and 14 times the adjusted earnings.

Financial and Investment Institute

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—D. E. Hayes is engaging in a securities business under the firm name of Financial and Investment Institute from offices at 3218 Craig Drive.

New Branch Office

CHILLICOTHE, Ohio — Commonwealth Securities Corporation has opened a branch office at 70 Central Center under the direction of Harrell J. Moore.

Form First Sec. Inv.

GREAT FALLS, Mont. — First Security Investors Inc. has been formed with offices at 17 Fifth St., North to engage in a securities business. Officers are Lewis Lineweaver, President; Leonard A. Motari, Executive Vice-President; W. V. Montee, Vice-President; and Harold J. Hess, Secretary-Treas.

Learning to Live With Inflation

By ROGER W. BABSON

Convinced creeping inflation will continue, and another big spurt of inflation will occur, Mr. Babson spells out various kinds of hedging to pursue. Moreover, he advises keeping at the same time a good bank account to enable purchase of equities when a crash comes.

Roger W. Babson

Almost everybody knows the story about the man who long ago told his people that years of drought would sooner or later result in a deluge, and that they should prepare for such a catastrophe. His name was Noah. Few listened to him and even fewer took the trouble to arrange their affairs with the future in mind. Noah insisted life could be met head-on by those who prepared for it. You know the rest of the story.

All of us will be confronted, sooner or later, with the need to save for that inevitable "rainy day." It may result from an earthquake, a flood, a world war, or something else. Whether we shall ride out the storm or sink in a leaky boat depends upon how well we plan for tomorrow. Just now this "something else" which confronts all of us is the problem of inflation. I will not describe it or tell you how to avoid it. Advice on this you are continually being given. I dread it and understand its sad possibilities. Yet, every young parent should realize that ten years from now his savings for educational purposes may buy only half the education he expected to purchase for his children; and 25 years from now he may find that his retirement income or life insurance provides only one-third the standard of living he had anticipated. The way old Noah would prepare now for such a possibility would be by increasing his life and fire insurance.

Look at the Record

Do you realize that since 1947-49 the cost of living has risen 24%? This is about 2½% per year. In this same period total personal income for all groups of workers has risen about 25%. But some groups—namely unionized manufacturing workers—are now getting 58% more pay than they did ten years ago. Surely they are preparing for inflation with a vengeance. However, large numbers of other workers have failed even to keep pace with the 24% increase in the cost of living—have not even maintained their 1947-49 standard of living. Are you one of these? If so, read on! Creeping inflation will continue, followed possibly, sooner or later, by another big spurt of inflation, probably caused by another world war. In order to offset both creeping and ultimate spiraling inflation, you should act now! Have in your home this motto: "Remember Noah — Prepare Now for Inflation." Too bad—but it is sure to come.

What to Buy Now

Most common stocks will not help you combat inflation. Please do be careful. On the basis of every possible yardstick of value good productive land now appears more valuable than anything else. Hence, if you want common stocks, buy common stocks based upon metals, oils, and other assets which should increase your buying power during creeping inflation. At the same time keep a good bank account which will enable you to buy more stocks when the crash comes. Your investment advisor will help you with this problem.

Put some of your earnings into a home furnished with real antiques, and into acreage in areas that are bound to appreciate in value—particularly areas of great population growth. It may be wise to buy some good tax-free bonds. These should be ideal for educational funds. Ordinarily bonds are not recommended to combat inflation. But at current low prices and relatively high yields, some of such tax-free bonds should, in the present situation, be good inflation hedges.

Some economists believe that the population increase will make antiques more valuable as time goes on. There are, of course, many other ways to combat inflation. I have purchased young timber lands, orchards, or hillsides, farms, lakes, or rivers. Certainly these things will increase in value through growth as well as inflation. Even these have real risks, such as drought, fire, hurricanes, and diseases. Therefore, you could get seriously hurt if all your funds were in such investments. Hedging against inflation requires diversification. Be sure, therefore, that you have enough cash, or the kind of assets that will bring you quick cash in an emergency—so that you can buy common stocks at the bottom when the next major stock market decline comes.

H. M. Wit, V.-P. of William Street Fund

Harold M. Wit

Harold M. Wit has been elected a Vice-President of The One William Street Fund, Inc., according to an announcement by Dorsey Richardson, President of the mutual fund. Mr. Wit became associated with the company in 1958 prior to which he was with the law firm of Cravath, Swaine & Moore from 1954. During the Korean conflict he served in the U. S. Navy as a Lieutenant Junior Grade.

Nelson Burbank Adds

BOSTON, Mass. — Victor C. Davis is with Nelson S. Burbank Company, 80 Federal Street.

Bank and Insurance Stocks

By ARTHUR B. WALLACE

This Week — Insurance Stocks

Two weeks ago we discussed the 1958 underwriting results of a group of the leading fire and casualty insurance companies in some of the more important lines written. The showing was (let us be charitable) ragged, except for the unusually good result in the case of the extended coverage—a line that, until 1958, distinguished itself by almost steady underwriting losses. Two more reports on lines are considered this week.

Inland Marine reported an average combined loss and expense ratio (for the 35 groups, or unaffiliated units) of 100.6% for the year, and for the five-year period it worked out at 101.6%. The line is not one of the largest of the industry so that its indifferent showing did not contribute too much woe to the industry results. It ran into trouble in 1956 and 1957 when the average was pulled up to 104.7% and 105.7% respectively. Coverages of Inland Marine include protection against anything that can happen to goods while in transit on land.

Ocean Marine, while by no means spectacular in its showing, did a fair job in 1958. Using the same 35 companies to represent the industry in the line the 1958 result was a combined loss and expense ratio of 97.7%, for a 2.3% profit margin, and the five-year average for a margin of 4.6%. On the average figure 1954 and 1955 kept it in the black by the excellent performance in those years, an average combined ratio of 86%. The year 1958 had no great outstanding losses such as the earlier one of the Andrea Doria. Increased foreign trade produces more premium volume; decreasing trade, such as we have experienced recently, of course has the opposite effect.

* * *

States Granting Rate Increases

The various state supervisory authorities seem to be getting religion as far as rate increases are concerned. After the rate boost in **New York State** that the underwriters had fought for so persistently for so long on motor vehicle lines, several others were announced. **Florida** answered the carriers' request for a 42% rise in automobile liability rates by announcing one of 22.6% on average. Also, **Tennessee** allowed an average increase on automobile liability of about 15.2%. The relatively large size increases going into effect seem to attest to the justification of the companies' needs for sizable increases.

* * *

Fire Loss Trend

March fire losses, estimated at about $99,600,000 by the National Board of Fire Underwriters, compared with $102,700,000 in the 1958 like month (a 3% decrease). The first quarter showed a loss of $103,700,000, an increase of about 1.4% over the 1958 period. As the burning ratio is high for these cold weather months in the first quarter, we cannot use the quarter's figure to estimate the year's result. However, the 1958 first quarter is likely to be sufficiently large to keep the year's showing over a billion, which total was reached in 1957.

Parenthetically, it may be added here that the Association of Casualty and Surety Companies and the National Board of Fire Underwriters are to combine their public relations work. The new organization will be titled Insurance Information Institute; and it is expected to help public relations of the industry.

* * *

Merit Ratings on Rise

Merit rating plans are beginning to be evolved and considered by state insurance departments. The general idea is to give a preferred rating to drivers who have not been involved in an automobile accident for, in the case of California, three years. Naturally, the accidentless driver, welcomes any idea that will give him a preferred rating. But it is to be noted that because a driver involved in an accident may not be at all at fault, his premium rate is not put on a preferential basis. That is, the mere fact that he was involved, deprives him of the up-rating.

The whole idea has to be worked out and seasoned, and in the process this seemingly unfair situation may be corrected. A bill has been introduced in California setting up an experimental plan applicable to collision, liability and medical. The driver's entitled to the preferred rating would receive a reduction of 20% in their premium rate. As there are probably several million preferred-rated drivers in the state, it would be quite costly to the carriers. This is taken care of in the bill by charging present rates to drivers with one accident. But woe betide the accident-prone driver. If he has had two accidents in the three years his premium rate goes up 25%; three accidents a 50% rise; four gets him a 75% increase; five or more, 100% more premium. A tough approach to the accident problem!

E. A. Harris Opens

(Special to THE FINANCIAL CHRONICLE)

HOLLYWOOD, Calif.—Edward A. Harris is engaging in a securities business from offices at 6715 Hollywood Boulevard. He was formerly with Merrill Lynch, Pierce, Fenner & Smith, Inc.

R. A. Ragazzi Opens

CORONA, N. Y.—Raymond A. Ragazzi is conducting a securities business from offices at 112-09 Roosevelt Avenue under the firm name of Financial Security.

GRADUATE CLASS 1959 INSTITUTE OF INVESTMENT BANKING

First Row: (from left to right)
Luther H. Stafford, Merrill Lynch, Pierce, Fenner & Smith, Columbia; Nestor W. Bohrer, Kalman & Company, St. Paul; H. J. Runnion, Jr., Wachovia Bank & Trust Company, Winston-Salem; James A. Norman, Baxter & Company, Cleveland; Clarke Berdan, Merrill Lynch, Pierce, Fenner & Smith, Saginaw; Gordon S. Macklin, Jr., McDonald & Company, Cleveland; Latham C. Burns, Burns Bros. & Denton, Inc., New York; James McConnell Clark, Hemphill, Noyes & Co., New York; William A. Stewart, Midland Securities Corporation, Ltd., Montreal; Eugene L. Neidiger III, Earl M. Scanlon & Co., Denver; Arthur M. P. Clark, Shearson, Hammill & Co., Springfield; William M. Meredith, J. C. Wheat & Co., Roanoke.

Second Row:
Neville Walker, Braun, Bosworth & Co., Toledo; R. M. Pendelton, A. E. Ames & Co., Limited, Montreal; Robert W. Swinarton, Dean Witter & Co., New York; Russell G. Wardley, Fulton Reid & Co., Inc., Cleveland; Keith R. Barker, Fulton Reid & Co., Inc., Ft. Wayne; Philip O. Rogers, John C. Legg & Co., Baltimore; William F. Gliss, Jr., John C. Legg & Co., New York; Phillip M. Lighty, Dean Witter & Co., Palo Alto; John C. Colman, A. G. Becker & Co., Incorporated, Chicago; Robert McC. Jordan, Bankers Trust Company, New York; John W. Erhard, Chace, Whiteside & Winslow, Inc., Boston; John N. Holscher, The Ohio Company, Columbus; David D. Lynch, Kidder, Peabody & Co., New York; Frank R. Finnegan, Edward D. Jones & Co., St. Louis.

Third Row:
Carl G. Coffey, R. S. Dickson & Company, New York; Henry P. Glendinning, Jr., Butcher & Sherrerd, Philadelphia; J. B. Shumate, Wachovia Bank & Trust Company, Winston-Salem; Calvin A. Newton, The First National Bank & Trust Company, Oklahoma City; Frank R. Saul, The First National City Bank of New York, New York; John S. R. Schoenfeld, Ferris & Co., Washington; Robert M. Evans, Eastman Dillon, Union Securities & Co., San Diego; J. David Zilka, Zilka, Smither & Co., Inc., Portland; Carl W. Seet, Jr., The Indiana National Bank, Indianapolis; Charles S. Garland, Jr., Alex. Brown & Sons, Baltimore; Ronald L. Voss, Jr., Cumberland Securities Corporation, Nashville; James A. Hill, Boettcher & Co., Denver; Neil M. Holt, J. P. Morgan & Co., Inc., New York.

Fourth Row:
William Kalellis, Janney, Dulles & Battles, Inc., Camden; Harry R. Neilson, Jr., W. H. Newbold's Son & Co., Philadelphia; Richard C. Vivian, The First Boston Corporation, New York; John B. Joyce, Jr., John B. Joyce & Company, Columbus; Joshua B. Richmond, Coffin & Burr, Incorporated, Boston; John J. Jackson, Baker, Watts & Company, Baltimore; Daniel R. Cooney, Lord, Abbett & Co., New York; William K. McHenry, Jr., Sterne, Agee & Leach, Birmingham; Loring T. Briggs, C. F. Childs and Company, New York; T. Brook Townsend III, Wagenseller & Durst, Inc., Los Angeles; Benjamin F. Edwards III, A. G. Edwards & Son, St. Louis; Joseph E. Howell, John C. Legg & Co., Baltimore; Somers K. Steelman, Merrill Lynch, Pierce, Fenner & Smith, Philadelphia.

FNMA Extremely Active in First Quarter

FNMA head's first quarter report reveals cumulative total of mortgages purchases slightly exceeds total for entire 1958. Mortgage purchases had reached their peak in first quarter of 1957 and sharply declined thereafter, through 1957 and until third quarter of 1958, when uptrend in purchase and decline in sales occurred.

The Federal National Mortgage Association purchased over a half billion dollars of FHA-insured and VA-guaranteed mortgages in the first three months of this year. This was disclosed in a statement issued by FNMA President J. Stanley Baughman May 1, showing a total of $502,164,000 in mortgages bought during the period. Purchases under the agency's overall Special Assistance program totaled $404,410,000, most of which represented mortgage acquisitions under the low and moderate cost housing program launched by the government last spring to spur home building. In addition to these mortgages, FNMA bought almost $100,000,000 of mortgages under its Secondary Market Operations program. The 8,380 mortgages acquired under this program totaled $97,754,000 and brought the total purchased since its inception four and a half years ago to over two billion dollars.

J. Stanley Baughman

53% Increase Over Previous Quarter

In emphasizing the trend of the mortgage market, FNMA's chief executive pointed out that purchases under the Secondary Market Operations program were 53% higher than the $63,911,000 reported for the previous quarter, and compared with $21,365,000 of mortgages that were added to FNMA's SMO portfolio in the third quarter of last year.

Sales of Secondary Market Operations mortgages by FNMA to private investors continued to decline with only $1,140,000 worth disposed of during the quarter. This compared with $2,900,000 worth sold in the previous quarter and $69,300,000 in the third quarter. This was also in sharp contrast to the $355,500,000 worth recorded in the second quarter last year.

Stepped up interest in FNMA's Secondary Market Operations program was reflected in the steady, month-after-month rise in mortgage offerings during the first quarter of 1959, with 2,896 offerings valued at $34,000,000 received in January, 3,547 worth $42,000,000 in February, and 4,276 valued at $50,000,000 in March, for a total of 10,719 worth $126,000,000 offered during the three months.

According to Mr. Baughman, over a thousand sellers, spread over most of the country and representing all segments of the home financing industry are participating in the agency's SMO program. A breakdown of the 1,052 lenders that have sold mortgages to FNMA under this program reveals mortgage bankers as the most active with 674 companies (64%) listed, followed by 226 banks and trust companies (22%), 134 savings and loan associations (12%) and 18 insurance companies (2%).

The Association maintains regional agency offices in Philadelphia, Atlanta, Chicago, Dallas and Los Angeles, and a sales office and fiscal agency office in New York City.

Iowa Inv. Bankers To Hold Field Day

DES MOINES, Iowa—The Iowa Investment Bankers Field Day will be held on Aug. 19, 20 at the Wakonda Country Club, Des Moines, Iowa. Norman V. Conway, Conway Brothers, is Chairman of the Field Day.

House-Johannes Formed

(Special to THE FINANCIAL CHRONICLE)

DAYTON, Ohio—House-Johannes, Inc. has been formed with offices at 1126 Oakwood Avenue to engage in a securities business. Officers are George J. Johannes, President and Treasurer; A. T. House, Vice-President; and La-Verne Johannes, Secretary.

Sweeping Revision Needed In Our Manpower Policies

By HON. JAMES P. MITCHELL*
Secretary of Labor

Projecting skills shortly needed, a continuing trend to high-grade personnel, and a shortage of young male workers between the ages of 24-44, Mr. Mitchell warns industry that tomorrow's manpower development problem is with us today. The Labor Secretary calls for a sweeping revision in our attitude toward the minority, older and female worker and states success in obtaining quality skills for economic growth ahead depends on the good will and good sense now applied in opening up employment opportunity and broadening training for everybody. He notes static total of craftsmen in past five years and a 28% shrinkage of those under 25. Pleading for a cessation of manpower waste, big and small companies are asked to use their common sense and idealism in the crucial challenge ahead for them and for our economy.

The changes which are taking place in the American labor force as a result of personal aspiration among workers, as a result of national economic growth, and as a result of technological advance have a direct bearing on the work of the President's Committee on Government contracts.

James P. Mitchell

Most people are aware of many of these changes. We see workers, in response to the urge for advancement and the changing nature of work, seeking new skills and modernizing old ones. We see the Nation awakening to the urgent need to provide the individual worker with the increased training, opportunity, and education which his identity as a human being has always demanded—and upon which now our continued progress as an industrial society depends.

This quickening interest in the enlargement of the individual presents us with one of history's happiest paradoxes. At a time when automatic machines and mechanized techniques are coming into widespread use, the skill of the individual worker has more meaning and value than ever before.

Our need for trained and ingenious workers, each with his gifts at their fullest development, has increased in direct proportion to the ingenuity and complexity of our machines. Technology has not and will not replace people. It has placed an exclamation mark upon their individuality.

We have seen however, that we have a considerable manpower problem before us and we are moving to find solutions for it. The problem has been obscured in the last few months by the levels of unemployment experienced by some communities, but it will come back into sharper focus with the continuance of the present rapid improvements in the American economy.

Future Demand for Skilled Workers

The general demand for skilled workers will continue to be a fundamental manpower fact in the future. Our industry, as it grows, will continue to place a premium on engineers, trained clerical help, good management personnel, craftsmen in many trades, and many semi-skilled worker groups. The pinch gets tighter as the economy grows and as our national appetite for goods and services grows in billion dollar gulps.

The implications of these current shortages for the future health of the economy are the subject of continuing studies by the U. S. Department of Labor. I would like first to lay some of our general findings before you, and then to examine with you their meaning for the Nation and its manpower development responsibilities.

Here is the relationship between population growth and the increase in the gross national product, as projected from 1955 through 1965. In 1955, the population was 165 million, and we were producing $391 billion worth of goods and services. The population in 1960 will probably be about 179 or 180 million—demanding $470 billion in goods and services. That we are moving rapidly toward this level is indicated by the first quarter GNP of this year—$464 billion, an all-time high. By 1965, the population will probably exceed 194 million, and we'll need better than $560 billion in goods and services—an astonishing 40% more than we produced in 1955.

In order to achieve a production increase of this size, a 10 million worker increase was indicated between 1955 and 1965. At the rate the population is growing, this, in itself, is not a problem. We can expect the labor force, which stood at 69 million in 1955, to reach 73 million by 1960, and the desired 79 million by 1965.

No Change in 25-44 Age Group

The problem is: will they be the highly skilled, highly trained workers we will need to man an increasingly complex defense system and to satisfy the ever increasing level of consumer demand? They can and should be, but there are difficulties. For example, of the 10 million[1] additional workers who will be in the labor force in 1965, most will be women and older workers, with the remainder being young boys between 14 and 24. **There will be almost no change in the number of men in the central working ages between 25 and 44.**

These changing balances of age and sex are matters of startling concern to a Nation which has traditionally sought the young male worker between 24 and 44, a white, young male worker I might add, at the expense of all other groups. We are going to have a change our attitude toward the minority worker, the older worker, the woman who wants to work, and the youthful worker if we are going to succeed in our search for the quality skills necessary to achieve the economic growth which our technical accomplishments have made possible, and which our population growth has made necessary.

If the problem were limited to 10 million new entrants into the 1965 labor force, solutions would be easy to find. But we are not concerned with a fraction of the labor force. We are concerned with the opportunities, the capabilities and the ambitions of all 80 million individuals who will be in the labor force six years from now.

This larger aspect is apparent in the following analysis: There are 70 million persons in the labor force in 1955, of which 12 million are expected to leave through death and retirement between 1955 and 1965. And 22 million—mostly very young people who are now in school—who will have joined the labor force by 1965. Thus the 1965 total of 80 million workers includes the 58 million persons who are already in the labor force. They are part of the 1965 total. in fact, the most important part of the total.

Solving the Problem Now

Those 58 million workers are an urgent reminder that our manpower development problem is not off somewhere in the mists of the future. The problem is with us today. And how well we succeed in solving the problem depends upon how much good will and good sense we are willing to apply now—immediately—to the realization of employment opportunity for everybody and the broadening of training for everybody.

We cannot expect that workers whose skills are inadequate or out of date today will be in any better condition in 1965 if they are not given some help in their quest for self improvement now. In the ordinary course of events, the nature of the work many of those 58 million are now doing will change within six years. Many of them will change from one job to another between now and 1965. Others will be doing essentially the same job—but will need different skills and techniques in order to keep pace with changes in the machines and processes around which their jobs are centered.

Projects Shortages

By 1965, we'll need 1.7 million additional professional and technical workers. We'll need one million additional proprietors and managers. We'll need 2.3 million clerical and sales workers. We'll need something like five million more craftsmen and operatives. We'll need more than half a million more service workers. But while demand for workers in these groups, which require high levels of training and education, will be constantly increasing, the numbers of unskilled laborers and farmers will be steadily diminishing. More and more, we need to attract quality personnel into the skilled, technical and professional occupations—and to give them the training and the stimulation to bring their best talents to full development.

How well have we been doing so far? This is a vital question, and one which can be partly answered by the figures in my next projection. Here we see the changes in the major occupational groups between 1951 and 1956. While total employment increased by four million, professional and technical employment went up by a healthy 1.3 million. The number of managers and proprietors went up 100,000, the number of clerical and sales workers by nearly two million, the number of operatives by 300,000, the number of service workers by a million. Confirming the trend to high-grade personnel, the number of laborers and farm workers dropped. More importantly **the number of craftsmen in the American labor force did not increase at all over a period of five years, a period in which some skills were avidly sought and critically needed.** This is something we should look at more closely.

It is shocking enough to think that there were no more skilled craftsmen — mechanics and tool makers, machinists and other top-flight production workers—on the job in 1956 than in 1951. Even more shocking is the lack of interest which our young people have shown in the skilled craftsmen occupations. The adult figures reflect static condition of the craftsmen occupations. As against the 780,000 youths under age 25 who were skilled craftsmen in 1951, there were only 560,000 in 1956. This was a drop of 28%.

Poses Grim Warning

These figures speak very loudly of our failures—when we consider the fact that 20 million of the new workers we will be getting between 1955 and 1965 will be under 25 years of age. They should serve as a grim warning to us that we must mend the flaws which are letting so large a portion of our manpower go to waste.

We have too often taken the easy way. We have limited the opportunities of the minority worker, often on groundless fears, the opportunities of the older worker and the woman worker, and we have neglected the proper training for the people now employed whose skill is necessary to the continuing, day-to-day efficiency of industry.

It is becoming more and more apparent that our half-way measures have not been adequate, and that we are going to have to come to terms with the realities of our economic system and the ideals of our social system. We are going to have to acknowledge the full needs of each individual and give him all the opportunities and all the training he can absorb because we need him at the summit of his development as we have never needed him before.

We must plan for our future manpower needs. The need for manpower planning reaches into every workplace in the Nation. It affects every employer, regardless of the size of his enterprise or the smallness of his resources, because his survival as a competitor will depend upon how well he develops and uses the potentialities of his own work force.

The employer will have to adjust his personnel policies to the changing nature of the work force, just as the worker has to adjust his skills to the changing nature of work. He must be ready to accept women on a part-time basis, and ready to re-train them as they re-enter the labor force after lengthy absences caused by motherhood. He must be ready to judge each applicant—whether he is over 45 or not, whether he is colored or not — on the individual's ability and qualifications for the job. And after he opens premium jobs to minority-group workers, he is going to have to be ready to give them the same kind of training and opportunity that he often reserved in former times for the white male under 45 years of age.

A Hard Practical Matter for Industry

These are all hard, practical matters. Somewhat less so, on the surface, is the question of creating a climate in which students and workers will be willing to devote so much time and effort to the acquisition of skill. We must provide the motivation. With youth especially it is important to stress the importance of the individual skill in the big pattern of industrial progress and economic growth. Youngsters must be convinced that they should take their preparation for a career seriously, that they are equipping themselves for a worthwhile life, and that they will be given a chance to put this intellectual equipment to full use. If they see that good jobs are closed to them without regard to their qualifications, they will not have this motive. I think you will grant that it will be a little difficult to do this if industry itself does not take the matter seriously enough to provide employment

Continued on page 16

*An address by Mr. Mitchell before the President's Committee on Government Contracts, St. Louis Chamber of Commerce and St. Louis Labor Council, St. Louis, Mo., April 15, 1959.

1 Total includes: (14-24 age group) men 2.7 million; women 1.8 million; (25-44) men, no change, women 1 million; (45 and over group) men, 2.2 million, women 2.3 million.

THE MARKET . . . AND YOU

By WALLACE STREETE

Stocks about held steady this week, a good many of the key issues drifting aimlessly and demand rather pinpointed in selected drug issues and electronics generally. It made for an indecisive showing overall, neither industrials, rails nor utilities showing any disposition to tangle with their 1959 peaks.

* * *

Interest was at something of a low ebb, volume running at a low for around a month while advances and declines on any given day were pretty much in balance although more times than not the minus signs held a slim edge.

* * *

May is not one of the more bullish months of the calendar and with the industrial average nearly four dozen points higher on the year so far, expectations of a correction were fairly rife and restrained sentiment a bit broadly.

Dividends and Splits vs. Earnings

First quarter earnings had crested after something of a flood tide of good news but the market showed little interest since most of the upturn had been well discounted in advance and there was far more attention being paid to dividends and, even more markedly, stock splits. And even, as in Thiokol, where a stock split was recent history the shares were able to join the skyrockets and carve out in only a few days a range approaching a score of points.

* * *

The retreat of American Telephone continued with liquidation in the first quarter by some of the mutual funds of their AT&T positions acquired late last year chilling the issue that has more shareholders than any other and, once its split is effected, the second largest number of shares in listed trading.

* * *

AT&T was around the 200 mark when its first stock split in history broke over the market and sent the issue to 225 in one swoop. After that, the issue advanced to 265 and this week had about retraced half of the gain which is still within the confines of a technical reaction to a good advance. On a historic basis the stock has been restrained. In 1930 it reached 274 and in 1929 as much as 310 when the dividend was pretty well expected to be $9 flat. So the peak now with a payout equivalent to $9.90 is not yet excessive against the historical background.

The electronic group had plenty of candidates available for good action when such as Zenith and Litton Industries paused for a rest. Motorola emerged as something of a leader in the group and Texas Instruments after a brief, consolidating pause, was also back in favor. Hoffman Electronics, aided by a stock split proposal, was one of the more prominent in the group, as well as on the lists of new highs.

* * *

Drugs were also able to show a few definite favorites with Smith, Kline & French and American Home Products taking turns in the rotating leadership.

* * *

Little of this was of any help to the long-laggard sections of oils, rails, cements and steels although aircrafts were able to stir a bit at times without too much overall progress showing yet. The textile and synthetic fibre issues were also rather thoroughly neglected although some of the issues seemed to have turned something of a corner.

* * *

Industrial Rayon attracted a bit of attention through a modest profit report for the first quarter after a full year of heavy red ink. The prospect for the full year isn't for any dazzling profits but on the other hand the price of the issue is down some 70% from its 1951 peak. The attraction in this case is a new tire cord introduced in the middle of last year which seems to give rayon a chance to compete with nylon which made heavy inroads in the tire picture. The new cord, Tyrex, compares favorably with rayon but with a significant cost savings, and Industrial Rayon is sufficiently impressed to have switched most of its facilities to the manufacture of this new product as well as planning full conversion later this year. The shift in the rayon-nylon tire cord battle has been marked enough so that some of the market analysts are anticipating a modest resumption of dividend payments by Industrial before the year is out.

A High-Yield Item

The higher-yield item, suggesting that it has been neglected, is Brown & Bigelow, maker of advertising specialties, which seldom features in wide market moves and, in fact, has yet to range over an area as much as four points between its 1959 low and high. The stock has been available at a 5½% yield in recent markets which is some two percentage points above the "average" yield of blue chips and even more above the vanishing yields of the recent space age favorites. The company serves a quarter million firms and, internally, has made good strides in cutting costs while maintaining a strong financial position. The dividend was well sheltered last year and, with advertising outlays on the uptrend with the general recovery in business, is regarded as certain to be maintained.

* * *

The pinpoint demand and the fad for growth issues still leaves a good sprinkling of better-grade issues around selling to yield 5% or close to it and some of the names are well known, including Santa Fe in the rails where little interest has been aroused despite a good pickup in business. Then there are the stores stocks where Allied is available at a yield of above 5% and Macy at nearly that level, and some of the tobaccos where high yields have been the rule for long as the recurrent cancer scares make investors shy away. Liggett & Myers is available at a return of better than 5%.

* * *

Oil earnings have shown a good rebound but again the uncertainties of the Mideast have kept investment interest restrained. And as a result yields running well into the 4% bracket are available in such well-known names as Standard Oil of Jersey, Socony and Sunray.

Chemicals Buoyant

Chemicals have shown good buoyancy as their first quarter profit reports made encouraging reading and for some the picture is brighter including Dow Chemical which is expected to reach record sales and earnings for the current fiscal year. The stock has been a better-acting one recently after the company developed a new resin for safety glass. This could open up new vistas in the television tube industry, where conventional safety glass has been unsuitable and required the addition of a second safety glass panel to protect homeowners. More basically, the large capital outlays of recent years are tapering off to enable the company to show better profits.

* * *

The candidate for a dividend improvement, and a yield even without it of 4½%, is Greyhound which had a good first quarter report that prompted an officer to announce a stock dividend or increase in the cash payment will be recommended at the meeting to be held shortly.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

Century of Service by Two Trask Employees

Two employees of Spencer Trask & Co., 25 Broad Street, New York City, are currently observing their 50th anniversaries as members of the staff of the 91-year-old investment firm.

In ceremonies at the Spencer Trask headquarters at 25 Broad Street, Russell E. Cain (left) and George H. Whitten (right), with combined service of 100 years, were presented with checks by Edwin M. Bulkley, Jr., general partner.

Both men entered the employ of the firm as 17-year-old youths. Mr. Cain joined the organization on May 3, 1909 and Mr. Whitten came with the concern a few days later.

The Cashier of Spencer Trask for over 30 years, Mr. Cain is a member of the Cashiers Division of the Association of Stock Exchange Firms. He is also past President of the Spencer Trask 25 Year Club.

Mr. Whitten is the senior staff member of the Accounting Department.

Continued from page 15

Sweeping Revision Needed In Our Manpower Policies

policies and a training structure that are open to everybody and in step with the times.

I am all too well aware of the practical difficulties which stand in the way of the sweeping revision of manpower policies which I am proposing to you. I know that some small companies will say that their present personnel would not be willing to accept minority group workers and that the expense of training is too much for them. I know that some large companies are content to go along through sheer inertia with the methods which have already gotten them into shortage trouble—confident that their wealth will pull them through.

But I also know that small companies have banded together to form cooperative training programs, and that many big companies have already begun to move ahead with the integrated, well-planned, carefully measured training programs and employment policies that they so clearly need to maintain their high levels of production.

I think that most will agree that, in a nation-wide question like this one, there is a clear and present need for the wider appreciation of this situation among the citizens and employers, among the businesses of this country—and a need for a particular readiness to share with and help the smaller firms whose limited resources and limited experience make it difficult for them to start from scratch on the right kind of manpower management programs.

I am confident that American industry—the industry which has been the wonder and example of the modern age—will not fail in this challenge if the facts are brought home to them. An industry which has turned mass production into the means of material comfort for millions of families, which has helped to make collective bargaining the practical symbol of the soundness of the free enterprise philosophy and the democratic way of life, will not fail in its responsibility to the individual worker.

I am certain that industry will respond more rapidly to its mission, and is equal to it. I am sure that all of the superficial arguments which have threatened our progress will be liquidated by the immense common sense and the high idealism of the American business communities — whose goal has always been a better and a richer life in which all may share.

Jones Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo. — James M. McLellan, Jr., has become affiliated with Edward D. Jones & Co., 300 North Fourth Street, members of the New York and Midwest Stock Exchanges.

With Yates, Heitner

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo. — Daniel L. Dunbar is now connected with Yates, Heitner & Woods, Paul Brown Building.

With Morrison & Co.

(Special to THE FINANCIAL CHRONICLE)

CHARLOTTE, N. C.—Albert L. Ofstrom has joined the staff of Morrison and Company, Liberty Life Building.

Joins Stanley Cooper

(Special to THE FINANCIAL CHRONICLE)

CINCINNATI, Ohio—Arthur S. Neave, Jr., has been added to the staff of Stanley Cooper Co., Inc., 105 West Fourth Street.

With Cunningham, Gunn

(Special to THE FINANCIAL CHRONICLE)

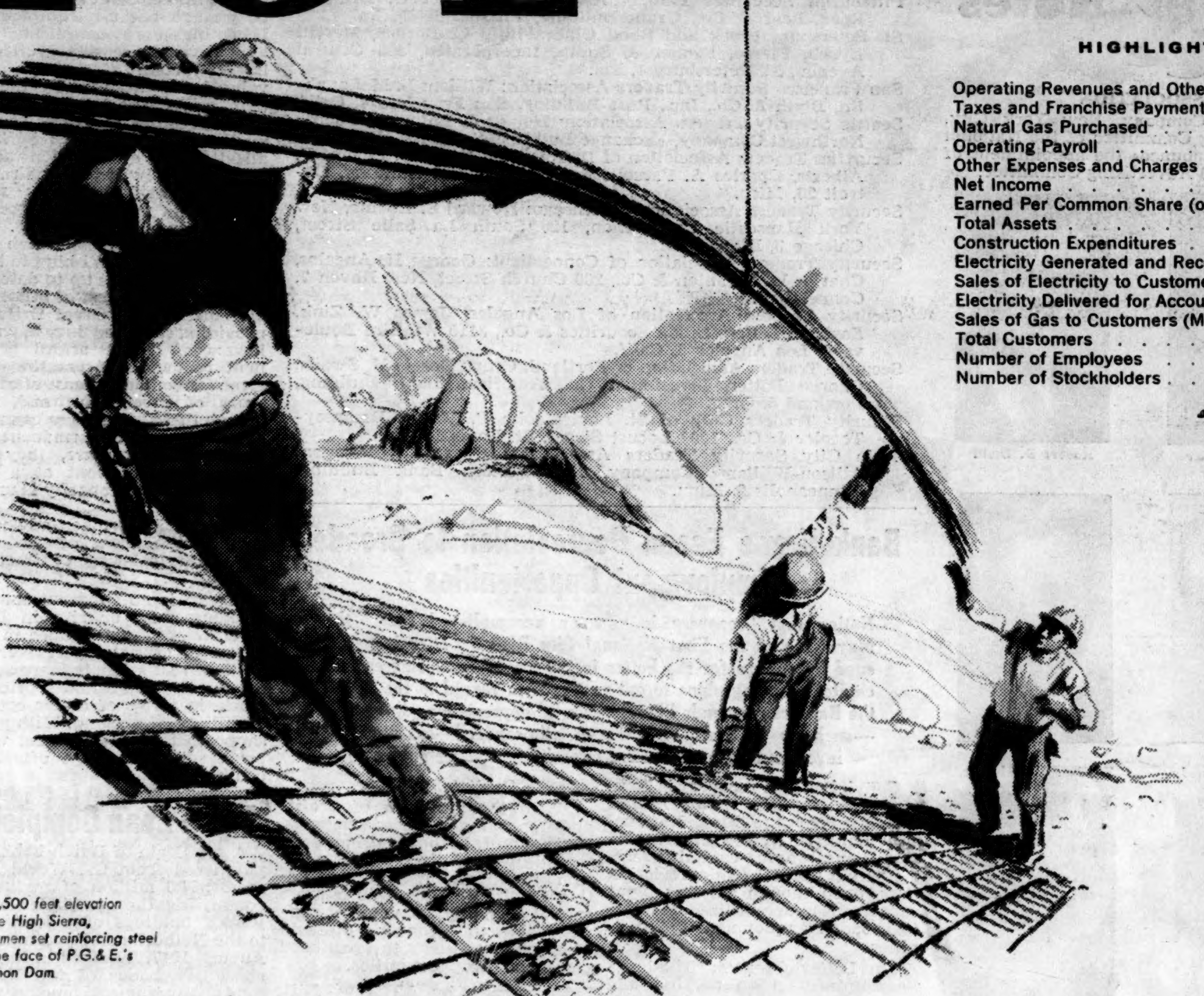
CLEVELAND, Ohio — Thomas H. Roulston, II, is now affiliated with Cunningham, Gunn & Carey, Inc., Union Commerce Building, members of the Midwest Stock Exchange. He was formerly with Paine, Webber, Jackson & Curtis.

McGhee Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—Jesse W. Erwin has become connected with McGhee & Company, Inc., 2587 East 55th Street.

P·G and E· 53rd ANNUAL REPORT-1958



At 6,500 feet elevation in the High Sierra, workmen set reinforcing steel on the face of P.G.& E.'s Wishon Dam

HIGHLIGHTS OF OPERATIONS

Operating Revenues and Other Income	$ 535,644,000
Taxes and Franchise Payments	$ 131,382,000
Natural Gas Purchased	$ 114,590,000
Operating Payroll	$ 68,317,000
Other Expenses and Charges	$ 136,045,000
Net Income	$ 85,310,000
Earned Per Common Share (on average shares)	$3.83
Total Assets	$ 2,290,957,000
Construction Expenditures	$ 192,113,000
Electricity Generated and Received (KWH)	23,125,794,000
Sales of Electricity to Customers (KWH)	18,486,314,000
Electricity Delivered for Account of Others (KWH)	710,199,000
Sales of Gas to Customers (MCF)	323,539,000
Total Customers	3,440,902
Number of Employees	18,299
Number of Stockholders	226,180

PACIFIC GAS AND ELECTRIC COMPANY is an operating public utility engaged principally in the business of furnishing electric and natural gas service throughout a large part of Northern and Central California, with property located and operations carried on entirely in California. The territory served embraces an area of 94,000 square miles. Incorporated under the laws of the State of California on October 10, 1905, its lineage extends deep into the Gold Rush period. Its earliest predecessor company was the San Francisco Gas Company, organized in 1852. Electric operations date back to the incorporation in 1879 of the California Electric Light Company. From these small beginnings the Company's growth and progress have continued until today it is, by most standards of measurement, the largest utility of its kind in the United States.

REVENUES AND SALES:

Gross operating revenues from all sources reached an all-time high of $534,778,000 in 1958, an increase of $33,534,000 or 6.7% over the previous year.

Total unit sales of both the Electric and Gas Departments were substantially the same as in the previous year, which on the surface might appear to indicate that the business recession had a material impact on the Company's business. The fact is, however, that sales in both departments were severely restricted by climatic conditions. Under normal climatic conditions both departments would have shown satisfactory overall gains in sales.

NET EARNINGS:

Net earnings available for the common stock amounted to $66,974,000, or $8,690,000 greater than in the previous year. These earnings were equivalent to $3.83 a share based on an average of 17,502,415 shares outstanding during the year. This compares with earnings of $3.41 a share based on the average number of shares outstanding in the previous year.

DIVIDENDS:

The Board of Directors on December 17, 1958 increased the quarterly dividend rate on the common stock from 60 to 65 cents a share. While applicable to the last quarter of the year, the first dividend at the new rate was not paid until January 15, 1959.

CONSTRUCTION:

Late in 1958 the two billionth dollar was spent on the Company's postwar program of expansion, and it is expected that about $156 million will be spent for this purpose in 1959. The proceeds from securities sold to date to finance this program—bonds, preferred and common stocks—have amounted to almost $1.4 billion.

The principal feature of our construction activities in 1958 was the completion of 685,500 kilowatts of electric generating capacity, consisting of both steam and hydro units. Our installed electric generating capacity now totals 5,219,000 kilowatts in 76 plants.

GAS SUPPLY:

In 1958 approximately 72% of our total natural gas supply originated from out-of-state sources, principally from fields in Texas and New Mexico.

With a view to obtaining an independently controlled natural gas supply, the Company is continuing its efforts to obtain a permit through its wholly-owned subsidiary, Alberta and Southern Gas Company, Ltd., to export natural gas from the Province of Alberta in Canada.

NUCLEAR POWER:

Much progress was made during the year toward the goal of producing nuclear power at a cost competitive with conventional plants. The Company has been actively engaged in this field since 1951, and is now engaged in more nuclear projects than any other electric utility.

While the Company will undoubtedly continue to build conventional electric generating plants for many years to come, recent advances in reactor technology suggests the possibility that competitive nuclear power plants will become a reality much sooner than was thought likely only a few years ago. The Company intends to stay in the forefront of developments in this field.

OUTLOOK:

Taking a realistic view of the future, it must be recognized that the Company's well-being as a business enterprise will depend largely upon the wisdom with which governmental policies are formulated and administered. Policies calculated to encourage further encroachment by governmental agencies into the commercial power business, or policies that would result in further inflation and erosion of the purchasing power of the dollar, would be harmful not only to investors but to our customers and employees as well. Stockholders are urged to take a strong stand against any such policies and to make their views known to their elected representatives.

FOR THE BOARD OF DIRECTORS

Chairman of the Board

N. R. Sutherland

President

PACIFIC GAS and ELECTRIC COMPANY

245 MARKET STREET, SAN FRANCISCO 6, CALIFORNIA

For more information on this dynamic company write K. C. Christensen, Vice President and Treasurer, 245 Market St., San Francisco 6, for P. G. & E.'s 1958 Annual Report.

NSTA Notes

NATIONAL SECURITY TRADERS ASSOCIATION

Alfred F. Tisch, Fitzgerald & Company, New York City, Chairman of the National Advertising Committee of the National Security Traders Association, Inc., announces the appointment of the local affiliate chairmen to the 1959 Advertising Committee.


Alfred F. Tisch


John S. Barker


Robert D. Diehl


Edward D. Muir


Bernard F. Kennedy


William J. Burke, Jr.


Homer J. Bateman


Garnett O. Lee, Jr.


James A. Traviss

Assisting Mr. Tisch as Vice-Chairman are John S. Barker, Lee Higginson Corporation (20 Broad Street), New York; Robert D. Diehl, Paine, Webber, Jackson & Curtis (626 South Spring Street), Los Angeles; Edward D. Muir, Muir Investment Corp. (101 North St. Marys Street), San Antonio, Texas; Bernard F. Kennedy, Bosworth, Sullivan & Co., Inc. (660 17th Street), Denver, Colo.; William J. Burke, Jr., May & Gannon, Inc. (140 Federal Street), Boston, Mass.; Homer J. Bateman, Pacific Northwest Company (Exchange Building), Seattle, Wash. and Edward R. Adams, The Robinson-Humphrey Co., Inc. (Rhodes-Haverty Building), Atlanta, Georgia.

Vice-Chairman for members at large is Garnett O. Lee, Jr., Francis I. du Pont & Co., (729 East Main Street), Richmond, Va.

Vice-Chairman for Canada is James A. Traviss, S. J. Brooks & Company (185 Bay Street), Toronto.

NSTA 1958 Advertising Committee Chairmen

Alabama Security Dealers Association: Alonzo H. Lee, Sterne, Agee & Leach, First National Bank Building, Birmingham 3, Alabama.

Arizona Association of Security Dealers: Maurice O. Neill, Walston & Co., Inc., 319 North Central Avenue, Phoenix, Ariz.

Baltimore Security Traders Association: Charles A. Bodie, Jr., Stein Bros. & Boyce, 6 South Calvert Street, Baltimore 2, Md.

Bond Club of Syracuse, N. Y.: Everett W. Snyder, E. W. Snyder & Co., University Building, Syracuse 2, N. Y.

Boston Securities Traders Association: James R. Duffy, Reynolds & Co., 19 Congress Street, Boston, Mass.

Cincinnati Stock and Bond Club: Willis D. Gradison, Jr., W. D. Gradison & Co., Dixie Terminal Building, Cincinnati 2, Ohio.

Cleveland Security Traders Association: Robert Weaver, Hornblower & Weeks, Union Commerce Building, Cleveland 14, Ohio.

Dallas Security Dealers Association: John W. Turner, Eppler, Guerin & Turner, Inc., Fidelity Union Life Building, Dallas 1, Texas.

Florida Security Dealers Association: Henry M. Ufford, Calvin Bullock, Ltd., 1 Bavbrook Place, Clearwater, Fla.

Georgia Security Dealers Association: Clement A. Evans, Clement A. Evans & Company, Inc., 11 Pryor Street, S. W., Atlanta 3, Georgia.

Investment Traders Association of Philadelphia: John C. Carothers, Jr., Janney, Dulles & Battles, Inc., 1401 Walnut Street, Philadelphia 2, Pa.

Kansas City Security Traders Association: Thomas P. O'Sullivan, Harris, Upham & Co., 912 Baltimore Avenue, Kansas City 5, Missouri.

Memphis Security Dealers Association: R. Bruce Rader, Rader, Wilder & Co., Union Planters Bank Building, Memphis 3, Tennessee.

Nashville Security Traders Association: David W. Wiley, Jr., Wiley Bros., Inc., 400 Union Street, Nashville 3, Tenn.

Pittsburgh Securities Traders Association: Robert G. Deakins, Reed, Lear & Co., Grant Building, Pittsburgh 19, Pa.

St. Petersburg Stock and Bond Club: Philip C. Barnes, Merrill Lynch, Pierce, Fenner & Smith, Incorporated, 568 Central Avenue, St. Petersburg 1, Fla.

San Francisco Security Traders Association: William L. McLoughlin, Blyth & Co., Inc., Russ Building, San Francisco 4, Calif.

Seattle Security Traders Association: Homer J. Bateman, Pacific Northwest Company, Exchange Building, Seattle 14, Wash.

Securities Traders Association of Detroit and Michigan: Eugene P. Alberts, Charles A. Parcells & Co., Penobscot Building, Detroit 26, Mich.

Security Traders Association of Chicago: Howard S. Levine, New York Hanseatic Corporation, 120 South La Salle Street, Chicago 3, Ill.

Security Traders Association of Connecticut: George H. Angelos, Charles W. Scranton & Co., 209 Church Street, New Haven 7, Connecticut.

Security Traders Association of Los Angeles: James W. Zink, Eastman Dillon, Union Securities & Co., 3115 Wilshire Boulevard, Los Angeles 5, Calif.

Security Traders Association of Portland, Oreg.: Derele H. Swails, George Patten Investment Co., American Bank Building, Portland 5, Oreg.

Security Traders Club of St. Louis: John P. Matye, Dempsey-Tegeler & Co., 1000 Locust Street, St. Louis 1, Mo.

Twin City Security Traders Association: Oscar M. Bergman, Allison-Williams Company, Northwestern Bank Building, Minneapolis 2, Minn.

Bank Urges Eased Depreciation to Broaden Employment Opportunities

Noting that "recovery is now an accomplished fact," the May issue of the First National City Bank's *Letter* is heartened by change for the better in the employment figures and capital spending plans to cut costs. With regard to the latter, the Bank recommends liberalization of depreciation allowances —such as Britain's "investment allowances"—to stimulate investment at a time when capacity is under-employed.

Convinced that recovery is here, the May monthly *Bank Letter*, published by the First National City Bank of New York, recommends encouraging capital investments *via* liberalized depreciation laws, even though existing plant capacity is under-utilized, in order to broaden employment opportunities.

The *Letter* observes: "The business upturn—sharp at first and then more gradual—has been under way for a full year and recovery is now an accomplished fact. Latest reports indicate that many old peaks are being surpassed. Most of the over-all measures of business activity such as industrial production, gross national product, personal income, retail sales, and construction have set new records during recent months. Support for further expansion is provided by a rising backlog of unfilled orders among manufacturers, a disposition of consumers to spend more freely, and a rapid recovery in profits leading to upward revisions in business capital spending plans.

"The accelerated inflow of new business, while influenced by hedge-buying in steel, also reflects gathering momentum in other lines. In March, the industrial production index of the Federal Reserve Board (seasonally adjusted, 1947-49 = 100) broke through to a new high of 147, compared with the revised February figure of 145 and the pre-recession peak of 146. Sharply higher rates of steel and auto production were the major factors but increased activity was reported in producers' durable goods and construction materials generally.

"Some let-up is to be expected at mid-year, whether or not there is a steel strike. Steel consumption normally dips during the summer and by June 30 many steel users presumably will be stocked up against the contingency of a strike. Opinion is nonetheless optimistic that the fall will find business expanding to new heights.

"The employment figures, so much a cause of concern during the winter, are showing marked improvement. . .

Capital Spending

"With the snapback of profits and improving business prospects, it is natural that businessmen should dust off plans on the shelf to improve and expand productive facilities. Actions to enlarge capital spending are votes of confidence in the economic outlook. They point the way to broadened employment opportunities.

"A survey by McGraw-Hill, taken in March, indicates that business will spend $2.1 billion (7%) more on new plant and equipment this year than was spent in 1958. Businessmen have raised their sights since last October when a similar survey reported that they anticipated virtually no increase in capital spending in 1959. If the trend during past business upswings can be taken as typical, it is likely that actual expenditures in 1959 will show still further increases over present plans.

"The bulk of capital spending in manufacturing industries during 1959 will be directed toward replacement and modernization rather than toward expansion of capacity. Even with recovery well advanced, manufacturers reported that they were operating at only 80% of capacity at the end of 1958. Emphasis naturally falls on new equipment and techniques which will raise efficiency, cut costs, or improve quality. Not to be overlooked is the stepped-up pace of research and development expenditures, which were increased even during the recession. Industry is expected to spend more than $9 billion on research in 1959 as against $8.2 billion in 1958 and less than $5 billion in 1955. Further increases in research and development expenditures are planned as far ahead as 1962. Out of these expenditures can come new products, new processes, even new industries— the vital ingredients for progress.

"A great deal of thought is being given these days to strengthening the growth curve of the economy. Out of natural increases in population come both increased wants and increased potential manpower. To make manpower effective in fulfilling wants will require tens of billions of capital investment in industry.

"Increasing depreciation allowances are helpful in providing a foundation for renewal of plant and equipment. But they can never be enough because equipment is becoming more complicated and expensive. Increasing profits can be of further aid though their value is handicapped by the fact that taxation takes the greater part. A more direct encouragement could be provided by liberalization of depreciation allowances. Nearly half the firms in the McGraw-Hill survey stated they would raise expenditures if allowances were liberalized.

"A lesson might be drawn from the British book. Wishing to bring its industrial plant up to date, and to meet the problem of higher replacement costs, Great Britain is providing so-called 'investment allowances.' These afford permanent remission of taxation on a given percentage of cost of certain types of investment; and, even though these allowances cannot be counted on as a permanent part of the tax structure, they will stimulate investment at a time when industrial capacity is under-employed . . ."

The Bank, too, has advice regarding the terms of settlement for a new steel-wage contract, due on June 30. The May *Letter* notes

"There is no apparent shortage of manpower, or rise in living costs, warranting advance in steel wages to attract labor. Nor, the strike threat aside, is there apparent justification for steel price advance in terms of either costs or conditions of demand. With public support, the self-defeating wage-price spiral can be effectively challenged."

Dutch Loan Completed

A syndicate of Dutch banks has purchased from the World Bank some $54.9 million of maturities, comprising the remainder of the Bank's holdings of a loan made to the Netherlands Government in August, 1947. Involved in the purchase are bonds of the Netherlands Government amounting to $54,540,000 in U. S. dollars and the equivalent of $353,000 in Belgian francs, all of which mature between 1959 and 1966.

Funds used by the syndicate to purchase the obligations from the World Bank will be derived from cash reserves held by the Dutch banks. The Netherlands Central Bank has given its approval to a lowering of the prescribed cash reserves by an amount large enough to finance the purchase from the World Bank.

The Netherlands Bank agreed to the transaction in the belief that a reduction of foreign debt would be acceptable at the present time, and that the reduction of reserves would not add new funds to the money market.

The 1947 loan to the Netherlands was the second ever made by the Bank. It amounted to $195 million, and enabled the Netherlands to maintain a flow of essential imports, including both equipment and materials, at a crucial time in the postwar recovery effort. The maturities originally extended to 1972, but in August, 1954 and February, 1955 the Netherlands Government made two prepayments which totaled more than $103 million and extinguished the maturities falling due on and after Oct. 1, 1966.

Gruntal & Co. Opens New Planning Dept.

Gruntal & Co., 25 Broad Street, New York City, members of the New York Stock Exchange, have established a financial planning department under the direction of Philip Layne.

Also associated with the firm as registered representatives are George Auman, Paul Pazer, Morris Bergman and Irving Smith.

More Than Credit Alone Is Needed in Latin America

By SAMUEL C. WAUGH*
President, Export-Import Bank of Washington
Washington, D. C.

Our principal public disburser of foreign credit cautions lavish loans might prove to be a disservice to economically distressed Latin American economies. Mr. Waugh certainly does not deny huge sums of both private and public capital from the United States are needed together with technical know-how. But, he also quickly adds there must be sound internal fiscal policies and better economic planning with an agreed program of priorities that must go hand-in-hand with credit extension. He affirms U. S. Government and business desire to build up better relationship with our neighbors and friends to the South —though this may not be the impression held by Latin Americans, some of whom would like the U. S. A. to underwrite a worldwide market for basic products.

Among the peoples of Latin America a feeling has been growing that we in the United States have taken them for granted and have neglected them while our interest and our monies have been directed toward Europe and the East. Whether or not one agrees with this premise—and I for one emphatically do not agree—the feeling persists, and therefore this situation must be faced. When reference is made in Latin America to the Marshall Plan, which resulted in the rebuilding of Europe, we can say truthfully that a Europe sound militarily and economically has redounded to the benefit of South as well as North America. We have been engaged in a cold war, putting out fires which, if allowed to go unchecked, might involve us all in this hemisphere. And we call attention to the formation and support of the North Atlantic Treaty Organization. As a result of NATO, and related measures, world markets have been reestablished, bringing a renewal of the flow of goods and capital to all nations of the western world.

Samuel C. Waugh

In a measure, this same positive assessment can be made for Asia and for the free nations of the East.

Latin America Is Not Forgotten

Now, having said this, let me testify from first-hand experience that there is a tremendous surge throughout all Latin America in an effort to improve the lot, to raise the standards of living of the great masses of their people, and to add to their present per capita income. While it can be demonstrated that much has been done, and is being done, by our own government and by private capital, we must continue to cooperate to the limit of our ability, in every possible manner, in order to prove the fallacy of the prevailing impression. For we have neither forgotten our Latin American friends nor are we taking them for granted.

All Latin American countries are confronted with a basic problem extremely difficult to solve—the effect of worldwide prices on the primary products they produce for export. The income of more than half of the Latin American countries depends upon the price of coffee; a half dozen countries depend upon bananas; in Chile it is copper; in Bolivia, tin; in Uruguay, wool. The decline in prices paid for these raw materials has had a restrictive effect on the development plans of the various countries as well as on their purchasing power for the imports desired from the United States. And we must concede the prices of the manufactured goods they import are not subject to the same violent fluctuations experienced in the market for raw materials.

Cannot Support All Prices

Our Latin American friends look to the United States—the world's largest buyer and seller—for the solution to these problems which are under careful study at the present time. While striving for a solution, we must allow that we have not been exactly successful in the handling of our own farm surplus problem. The thought of the United States attempting to underwrite a worldwide market for basic products brings a chill to those who today advocate the balancing of our own budget.

A few statistics will throw light on the situation today in Latin America. Between the years 1950-1957 the annual rate of growth in Gross National Product in Latin America was 4.5%. This rate of growth exceeds that of the United States. However, in projecting the *per capita* income as compared with GNP, the rate of population growth is an important factor.

A half century ago all of Latin America had 61 million inhabitants. Today the figures approximate 185 million. If the present rate of growth continues, by the close of this century, the estimator places it at 600 million. By comparison — according to the same estimates—the United States and Canada will have 310 million by approximately the year 2000.

This so-called population explosion indicates the potential demand for facilities in the public sector: highways, low-cost housing, schools, hospitals, and the whole gamut of civic improvements. The problem of food should probably be given the highest priority. This calls for improvement in agricultural practices, mechanization when practical, and the improved uses of seeds, insecticides and fertilizers, to mention but a few items. Then there is the problem of providing jobs, and more jobs. This brings to the surface the widespread desire to industrialize which is present today, and here we already have run into the twin problems of lack of capital and technical know-how.

Credits Alone Are Not a Solution

Of course, it is a comparatively simple matter to outline the problems but far more difficult, as implied in the previous comment regarding price fluctuations of basic materials, to find the answers. The solutions, I respectfully submit, must be found by joint effort. I will go further and express a personal opinion that the extension of credits, either hard or soft loans, or the giving of grants will not in themselves solve the existing problems.

True, huge sums of both private and public capital from the United States are needed, together with technical know-how. But, on the other hand, without the establishment of sound internal fiscal policies and the creation of better planning for economic development with an agreed program of priorities, it may well be that the extension of excessive credits will prove to be a disservice.

For emphasis I would like to state here that the present Administration has exceptionally strong Latin American supporters in President Eisenhower, his brother Milton Eisenhower, Vice-President Nixon, Secretary of the Treasury Anderson, Secretary of State John Foster Dulles, and the Under Secretary for Economic Affairs C. Douglas Dillon. These men are all dedicated supporters of Latin America. They are determined to do everything within their ability to meet the existing challenge.

Now I would be derelict in my duty as an officer of the Export-Import Bank if I did not record the high spots of our relationship with Latin America, which has been a most important factor during the 25 years of the Bank's experience in international lending.

Time does not permit a recitation of the United States participation in the Point IV or Technical Assistance Programs throughout Latin America, or the activities of the International Monetary Fund and the International Bank for Reconstruction and Development, both of which have been active. The Administration is sponsoring substantial increases in the United States participation in both the Monetary Fund and the International Bank which should prove of further interest to Latin America. Nor will time permit discussion of the United States participation in the Inter-American Development Bank now in the process of being created, nor the vast amount of private capital that has gone into the area.

Recapitulates Eximbank's Activities

To use an old cliche, a shoemaker should stick to his last, and therefore let us turn to the Latin American activities of the Export-Import Bank.

From its earliest year, the Bank has recognized the necessity for all the countries of Latin America to expand their economies in an orderly manner to promote trade and economic growth throughout the Western Hemisphere. This awareness is borne out by the fact that from Feb. 12, 1934—when the Bank was established — through Dec. 31, 1958, 36% of Eximbank's credits, by dollar volume, went to Latin America. In recent years the ratio of Bank loans to Latin America, in relation to its operations in the world as a whole, has increased. Credits to Latin America from January 1, 1958 through March 31, 1959 amounted to 47.9% of the total dollar volume.

In Eximbank's first three years of operation—when the Bank's total capitalization was $11 million, as compared to $7 billion today—9 countries in Latin America received shipments of Bank financed capital goods from the United States. The Bank's first loan of the type that has become known as an economic development credit was authorized in 1938 to the Government of Haiti.

Virtually every credit that Eximbank makes is designed to have a beneficial impact on the borrower, whether a government or an individual (Eximbank extends loans to both). In each case Eximbank expects that a borrower will improve his earning power beyond the ability to pay off his loan. And the Bank anticipates that each credit—whether $550 for a plow bought by a farmer in Brazil or $6,500,000 for a paper mill in Argentina—will contribute also to the economic strength of a country, enabling it to increase its purchasing capacity abroad, thereby stimulating international trade.

Improvements come in various ways. New or expanded steel industries, such as at Huachipato in Chile, make a mark on adjacent areas almost at once, with added corollary improvements — new houses, new highways, schools, hospitals, hotels, community buildings, and services. Large scale irrigation projects such as Falcon Dam and the Yanqui Canal in Mexico, change the face of the land across thousands upon thousands of acres, creating wealth in new harvests where none was to be had before. New highways, the famous Cochabamba - Santa Cruz Highway in Bolivia or the Quevada-Manta Highway in Ecuador, and improved railway systems such as in Brazil and Mexico bring pronounced changes for the better, changes which are mandatory to any country's growth.

The big credits, such as these, are, of course, vital to the building of prosperity and stability in large countries. Steel, electric power, railroads, mines, irrigation, and highways are the foundations of economic development. But over a period of a quarter of a century there is time and opportunity to do some things which will provide people with material conveniences as well as industrial progress. For instance, water supply.

Quito and Asuncion are two of the Western Hemisphere's oldest cities. For generations, the citizens of Ecuador's capital drew their water from wells, in the ancient tradition. Within the past two years there has been a revolution in Quito's way of living; the city today has a modern central water supply system with pipes, faucets and meters, financed under a $7,600,000 Eximbank credit. A similar municipal system financed largely under an $8,000,000 Eximbank credit is being completed in Asuncion today by Kaiser Engineers Division of Henry J. Kaiser Company. Water supply systems also have been installed under Eximbank financing in Tampico, Mexico, and Guayaquil, Ecuador.

Asuncion, incidentally, will soon be distinguished by a new project other than its water supply system. An Eximbank credit of 1955 financed in substantial part the construction of a modern commercial airport there. Before the project was completed in 1958 it was decided to expand the new runway to accommodate the coming jet airliners. As the civil jet age arrives in Latin America, Paraguay will be ready with a suitable runway at its national capital to handle the big planes.

While Brazil and Mexico are among the leading five nations in volume of dollars borrowed from Eximbank, every one of the 20 Latin American Republics has received some assistance for economic enterprise from the Bank. Through credits to finance purchases of harrows, plows, cultivators, tractors, harvesters, and grain storage facilities, the Bank probably has reached more Latin Americans individually than through other types of credits. These credits, usually arranged at the request of U. S. suppliers, have made possible sales of hundreds of individual pieces of farm machinery from the Rio Grande almost to Tierra del Fuego.

Credit Stabilization

In 1958 and thus far in 1959, the primary need for the Eximbank in Latin America has been for funds to assist some countries in programs to stabilize their economies due to declines of world-wide prices of their primary products — the problem to which I referred to earlier. In these past 15 months the Bank has authorized credits for stabilization purposes totaling $458 million to assist six countries: Argentina, Brazil, Chile, Colombia, Mexico, and Peru. Simultaneously, 16 private banks in the United States and Canada, the International Monetary Fund, and other U. S. Government agencies participated with Eximbank in these stabilization credits.

Cumulative credits authorized by the Bank in Latin America as of March 31 totaled $3.8 billion. This compares to cumulative credits authorized to Europe totaling $3.7 billion.

Here are two tables which define the Bank's operations in Latin America in detail:

Credits Authorized in Latin America
Jan. 1, 1958-March 31, 1959

Country	Number	Amount
Argentina	77	$130,250,000
Brazil	87	140,168,761
Chile	1	15,000,000
Colombia	2	83,700,000
Costa Rica	3	5,086,600
Cuba	2	514,000
Ecuador	3	2,012,000
Guatemala	1	75,000
Honduras	5	1,025,000
Mexico	25	145,081,800
Nicaragua	12	703,400
Paraguay	2	1,320,000
Peru	11	61,558,146
Venezuela	3	1,215,000
Total	234	$587,709,707

Credits Authorized in Latin America by Classification of Purpose—1934-1958

	Million
Industrial plants	$555
Railway improvements	472
Electric power	266
Mining	305
Agricultural equipment	101
Agricultural commodities	66
Highway construction	204
Other (non-dollar ex.)	530
Petroleum development (Bolivia)	8.5
Trucks, buses, automotive equipment	16
Dollar exchange	875
Oil refining equipm't (early)	11
Ships and dredges	52
Harbor improvements	40
Aircraft and airports	45
Telecommunications	61
Water and sewer systems	57
Total (billion)	$3.6

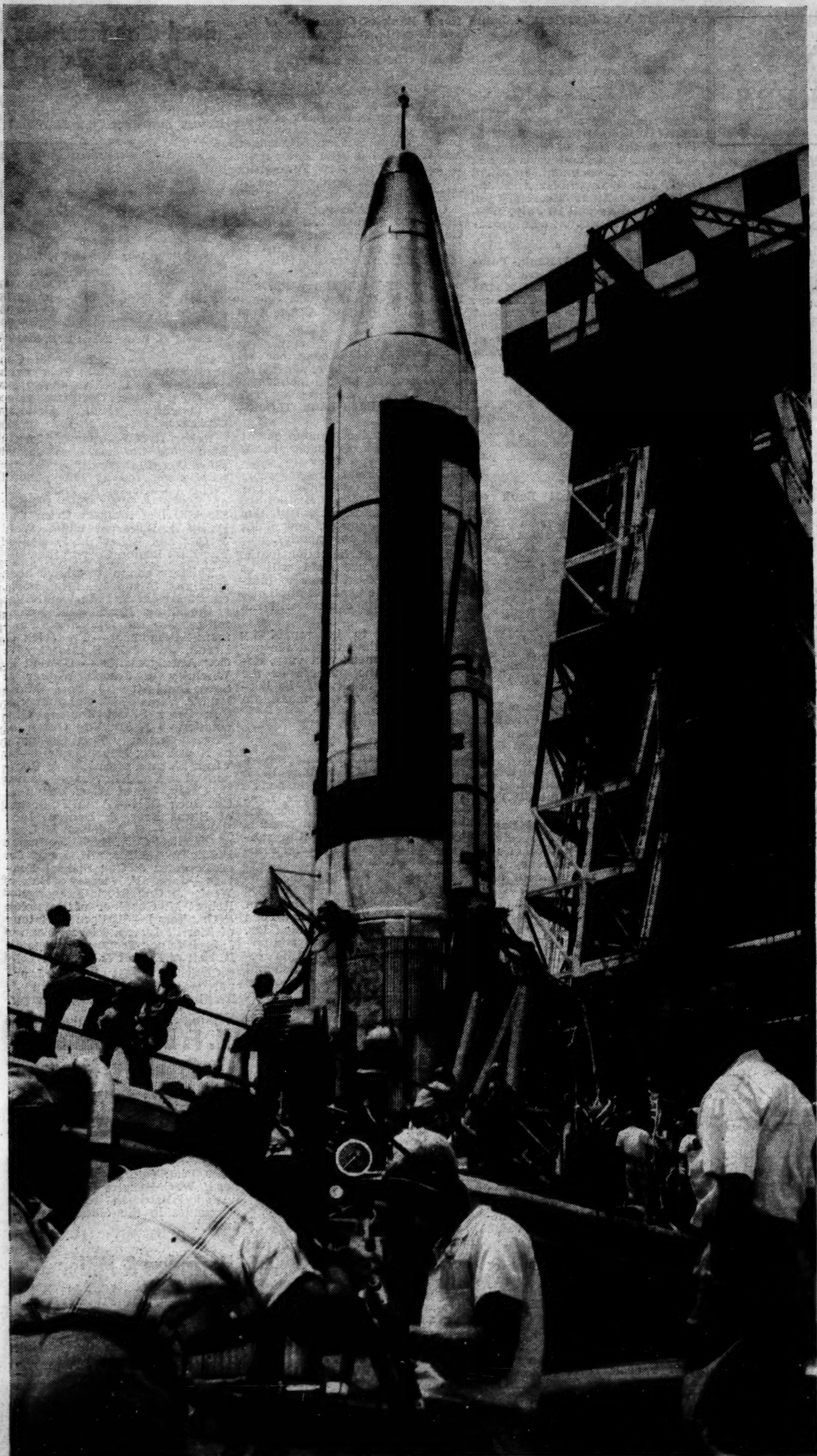
Personal Observations

In closing, may I venture a few personal observations. In the past six years my two assignments at the Department of State and the Export-Import Bank have necessitated my traveling throughout the United States as well as to many sections of the world, and this includes visits to all countries in Central and South America. I think I am safe in saying, despite any feelings in Latin America to the contrary, that the Administration in Washington as well as the United States private bankers, exporters, and manufacturers are most desirous of developing a friendly, sound, and long-range, mutually-beneficial relationship or partnership with our friends and neighbors to the south.

But to be able to carry out our part of this desire it is necessary for us to maintain within the United States a strong, virile economy capable of continuing the ability to import both raw materials and manufactured goods and to create the capital, private and public, necessary to finance a substantial portion of the economic development throughout Latin America and the Free World.

While the short-term situation seems tight in certain areas in Latin America, the manner in which the newly elected administrators in several of the more important countries have recognized the importance of improved fiscal policies and development plans is most encouraging. The continued improvement in the relationship between North and South America is, I repeat, most certainly to be desired, and again, speaking as an interested individual, the long-range picture to me looks bright.

*An address by Mr. Waugh before the Pan American Week celebration, Cincinnati, Ohio, April 16, 1959.



Atlas missile, built by Convair (Astronautics) Division of General Dynamics Corporation as prime contractor.

RCA ELECTRONICS CUTS DOWN THE COUNTDOWN

To our missile experts, "is it ready" is almost as important as "how far can it go." For retaliatory power, missile crews must be able to launch a maximum number of missiles in rapid fire order.

America's intercontinental ballistic missile, the Atlas, had already proved itself for distance—6,000 miles or more. But checkout and launching took several hours. So the next step in turning the missile into an operational weapon was to make it ready for quick action. RCA was selected to build an electronic system that would radically reduce the countdown time at the Atlas Operational Bases now under construction.

Now, in a matter of *minutes*, this elaborate electronic system can determine if any part needs attention—or signals that the missile will be ready to go.

This automatic checkout equipment and launch control system for the Atlas is one more of the many ways in which RCA Electronics works to strengthen our national defense.

RADIO CORPORATION OF AMERICA

NEWS ABOUT BANKS AND BANKERS

CONSOLIDATIONS
NEW BRANCHES
NEW OFFICERS, ETC.
REVISED
CAPITALIZATIONS

The executive assignments of the latest bank merger, **Morgan-Guaranty Trust Company of New York**, was recently disclosed to this paper.

The table of reorganization sets forth that 29 vice-presidents head the different banking divisions directly under Henry Alexander, Chairman; Dale E. Sharp, President; H. P. Davison and Thomas S. Lamont, both Vice-Chairmen; J. Luther Cleveland, Chairman of the Executive Committee and six senior Vice-Presidents.

The senior Vice-Presidents are Thomas P. Jerman and Guido F. Verbeck, Jr., both formerly of **Guaranty Trust Company**, and Stuart W. Cragin, Longstreet Hinton, John M. Meyer, Jr., and Ellmore C. Patterson, all formerly of **J. P. Morgan & Company, Inc.**

Mr. Hinton heads the trusts and investments division. J. Delafield DuBois, a Vice-President and former Morgan man, heads the international banking division, assisted by two Vice-Presidents, Harold F. Anderson, formerly of Guaranty, and R. Gordon Wasson, formerly of Morgan.

A new corporate research division is headed by two Vice-Presidents, both former Morgan men, Roger Maynard and William G. Stott.

Herbert E. Twyeffort, a Vice-President and former Guaranty man, heads the corporate trust and stock transfer division. Ralph F. Leach, Vice-President and Treasurer, also from Guaranty, heads the government portfolio and bond division. William Widmayer, Vice-President and Controller, heads the Controller's division. He was formerly a Guaranty man. His assistant, Frank Forester, Jr., Vice-President and Deputy Controller, was formerly a Morgan man.

The operations division is headed by Harold M. Sherman, Jr., Vice-President, formerly of Guaranty, and he is assisted by Thomas Rodd, Vice-President, formerly of Morgan.

Daniel P. Davison, formerly of Morgan, has been named Secretary of the merged institutions.

A directors' advisory council, consisting of former directors of both banks, is headed by George Whitney, Chairman. It includes George G. Allen, Arthur M. Anderson, Carter L. Burgess, Bernard S. Carter, Chairman, Morgan & Cie, Inc., Charles P. Cooper.

Also, Richard R. Deupree, Charles E. Dunlap, Walter S. Franklin, Carl J. Gilbert, N. J. Jay, director, Morgan & Cie.

Also, R. C. Leffingwell, Charles S. Munson, George E. Roosevelt, Alfred P. Sloan, Jr., honorary Chairman, General Motors Corporation, Kenneth C. Towe, and Charles E. Wilson.

* * *

The appointments of Alfred E. Johnson and Nathan T. Plishtin as Assistant Secretaries of **Manufacturers Trust Company, New York**, are announced by Horace C. Flanigan, Chairman of the Board.

Mr. Johnson is assigned to the bank's 44 Wall Street banking office.

* * *

Edwin G. Gallaway and Harold S. Seal were elected Vice-Presidents of the **Bankers Trust Company, New York**, it was announced May 5 by William H. Moore, Chairman. Both were formerly Assistant Vice-Presidents in the bank's metropolitan division.

Mr. Gallaway has been with Bankers Trust since it merged with the Commercial National Bank and Trust Company in 1951. He had previously been an Assistant Vice-President of Commercial National Bank and Trust Company. Mr. Seal was with the **Lawyers Trust Company** before its merger with Bankers Trust in 1950. He was elected an Assistant Vice-President the same year.

The election of Joseph J. Devine and C. Gordon Tebbitt as Assistant Vice-Presidents also was announced. Both are with the bank's public relations department.

* * *

Introduction of a new loan service to help finance the cost of college educations was announced May 6 by the **Fidelity Union Trust Company of Newark, N. J.**

Known as the Fidelity Union College Payment Plan, it extends loans to parents or sponsors of college students and requires that the proceeds of these loans be applied to educational expenses such as tuition fees, room and board, books, laboratory fees and other direct costs of higher education.

A charge of 4% of the amount loaned is made to cover interest and special life insurance coverage for the borrowing parent or sponsor.

* * *

The First National Bank of Marlton, New Jersey, increased its common capital stock from $65,000 to $130,000 by a stock dividend, and from $130,000 to $195,000 by the sale of new stock, effective April 22. (Number of shares outstanding—1,950 shares, par value $100.)

* * *

The common capital stock of **The East Stroudsburg National Bank, East Stroudsburg, Penna.**, was increased from $150,000 to $200,000 by a stock dividend, and from $200,000 to $250,000 by the sale of new stock, effective April 23. (Number of shares outstanding —10,000 shares, par value $25.)

* * *

S. Davidson Herron, Jr., has been appointed Assistant Vice-President in the trust department of **Mellon National Bank and Trust Company, Pittsburgh, Pa.**, Frank R. Denton, Vice-Chairman of the bank, announced.

Mr. Herron joined Mellon Bank in 1948 in the investment research division of the trust department. In May, 1954, he was appointed Assistant Secretary and in 1956, investment officer in the trust department.

Richard W. Sherman has been appointed Assistant Vice-President in the operating department of Mellon National Bank.

Mr. Sherman came to Mellon Bank in 1950 in the tabulating division. In October, 1954, he was placed in charge of that division and in July, 1955, was appointed Assistant Cashier in the administrative office. At the present time, Mr. Sherman is in charge of the check collection and bookkeeping divisions of the bank.

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Charles N. Berents and Robert N. Hinds have been elected Vice-Presidents in the trust department of **Fidelity Trust Company, Pittsburgh, Pa.**, according to John Byerly, President. Both men were formerly Assistant Vice-Presidents of the bank.

Mr. Berents joined Fidelity in March, 1958.

Robert N. Hinds became an investment officer at Fidelity in July, 1957, and was named an Assistant Vice-President in January, 1958.

* * *

Elmer S. Waizenhofer has been appointed Trust Officer of Mellon National Bank.

Mr. Waizenhofer started his banking career with **The Union Trust Company of Pittsburgh** in 1934. He joined Mellon Bank in 1946 at the time of the merger of the two banks and was assigned to the trust department. In April, 1951, Mr. Waizenhofer was appointed Assistant Secretary in personal trusts and in July, 1953, as assigned to account administration.

* * *

Potomac National Bank, Potomac, Maryland, was granted a charter from the office of the Comptroller of the Currency. Harry H. Semmes is President and Lawrence I. Melton is Cashier. The bank has a capital of $250,000 and a surplus of $250,000.

* * *

By a stock dividend, the common capital stock of **First Bloomington Lake National Bank of Minneapolis, Minn.**, was increased from $300,000 to $450,000, effective April 22. (Number of shares outstanding — 4,500 shares, par value $100.)

* * *

The First National Bank of Liberal, Kansas, increased its common capital stock from $100,000 to $250,000 by a stock dividend, effective April 21. (Number of shares outstanding — 2,500 shares, par value $100.)

* * *

The common capital stock of **The Farmers National Bank of Cynthiana, Ky.**, was increased from $100,000 to $200,000 by a stock dividend, effective April 21. (Number of shares outstanding — 20,000 shares, par value $10.)

* * *

The Citizens and Southern National Bank of South Carolina, Charleston, S. C., increased its common capital stock from $2,150,000 to $2,365,000 by a stock dividend, effective April 22. (Number of shares outstanding — 236,500 shares, par value $10.)

* * *

Ormond Beach National Bank, Ormond Beach, Fla., received a charter from the Office of the Comptroller of the Currency. Albert J. Gowan is President and M. C. Sutton is Cashier. The bank has a capital of $440,000 and a surplus of $220,000.

* * *

By a stock dividend **The Marshall National Bank, Marshall, Tex.**, increased its common capital stock from $350,000 to $400,000, effective April 22. (Number of shares outstanding—20,000 shares, par value $20.)

* * *

Central Valley National Bank, Oakland, Calif., increased its common capital stock from $2,200,000 to $2,420,000 by the sale of new stock, effective April 22. (Number of shares outstanding—242,000 shares, par value $10.)

* * *

By the sale of new stock, the common capital stock of **The United States National Bank of Portland, Ore.**, was increased from $22,540,000 to $23,000,000, effective April 22. (Number of shares outstanding—1,150 shares, par value $20.)

* * *

United States National Bank of Portland, Ore., scored a "first" in Oregon banking in mid-April when it put into operation its new "Custom Credit" service in all 68 banking offices in the State.

First Oregon bank to offer a revolving bank credit plan on a statewide basis, U. S. National is also one of the few banks in the nation to initiate such a service simultaneously on a statewide basis.

* * *

Ritzville State Bank, Ritzville, Wash., was absorbed by **The National Bank of Commerce, of Seattle, Seattle, Wash.** A branch was established in the former location of Ritzville State Bank.

* * *

The appointment of Clarence G. Webster as an Assistant General Manager of the **Bank of Nova Scotia** was announced yesterday by F. William Nicks, President. Mr. Webster has been senior agent in charge of the New York office since 1948. He will continue in charge of operations here.

Clifford J. Ash and Walter S. Bond also were named Assistant General Managers. They are with the bank's general office in Toronto. Mr. Ash was supervisor of branches and Mr. Bond was supervisor of staff. Harry Randall, formerly Controller, was named to the new post of Assistant to the President.

* * *

Entry into the consumer finance field through expansion of its personal instalment loan activity has been announced by **The Toronto-Dominion Bank, Toronto, Canada.**

In making the announcement, A. C. Ashforth, President, stated the bank is prepared to make loans to individuals of satisfactory credit standing for almost any worthwhile purpose. He defined this to include the acquisition of household appliances, new home furnishings and automobiles.

The bank's participation in the consumer finance field will be confined to direct loans to individuals. Trade paper of appliance and automobile dealers will not be purchased.

Loans are to be repaid by monthly instalments and the period of repayment will vary, depending on the purpose of the loan and the ability of the borrower to repay, the maximum period being 30 months.

* * *

Notice is hereby given that an extraordinary General Meeting of the **National and Grindlays Bank Limited**, will be held in the bank's premises at 24 Bishopsgate, London, E.C. 2, on May 12, 1959, for the purpose of considering and if thought fit of passing the subjoined resolutions as special resolutions, as follows:

(1) That the capital of the company be reduced from £4,562,500 divided into 4,562,500 shares of £1 each (all of which have been issued and on each of which 12s. 6d. and no more has been paid up) to £3,421,875 divided into 4,562,500 shares of 15s. 0d. each and that such reduction be effected by reducing the liability in respect of uncalled capital on each of the shares in the capital of the company by 5s. 0d. and by reducing the nominal amount of each of such shares from £1 to 15s. 0d.

(2) That on such reduction of capital taking effect the capital of the company be increased from £3,421,875 divided into 4,562,500 shares of 15s. 0d. each to £4,562,400 by the creation of 1,520,700 new shares of 15s. 0d. each.

(3) That the share premium account of the company (created in accordance with the provisions of Section 56 of the Companies Act of 1948) be reduced from its present amount of £1,128,750 to £558,437 10s. 0d. and that such reduction be effected by applying the sum of £570,312 10s. 0d. part of the amount now standing to the credit of the said share premium account in paying up 2s. 6d. of the amount now unpaid on each of the 4,562,500 issued shares in the company.

Robert Harris Opens

PHILADELPHIA, Pa. — Robert M. Harris is conducting a securities business from offices at 1122 East Sydney Street. He was formerly with Gerstley, Sunstein & Co.

Bond Club Field Day To Be Held June 5

The Annual Field Day of The Bond Club of New York will be held this year on Friday, June 5, it was announced by Harold H. Cook of Spencer Trask & Co., President of the Club. This year's event will be the 35th outing for the Bond Club and will take place at the Sleepy Hollow Country Club, Scarborough, N. Y.

Harold H. Cook Robert H. B. Baldwin

Robert H. B. Baldwin of Morgan Stanley & Co. has been named Field Day Chairman this year. He will be assisted by four general Chairmen—Harry A. Jacobs, Jr. of Bache & Co.; Lee Prather Stack, Jr. of Bankers Trust Co.; Philip D. Baker of White, Weld & Co.; and Robert L. Harter of The First Boston Corporation.

Thirteen committees have been appointed to supervise the sports, entertainment and other activities at the outing. Heading these committees are the following Chairmen: Attendance — Frederick C. Braun, Jr. of F. S. Moseley & Co.; Arrangements — Gordon B. Whelpley of Joseph Walker & Sons; Bawl Street Journal—Maitland T. Ijams of W. C. Langley & Co.; Bawl Street Journal Circulation — J. Bradley Green of Morgan Guaranty Trust Company of New York; Entertainment—H. Virgil Sherrill of Shields & Company; Food and Beverage—James D. Casey, Jr. of A. C. Allyn & Co., Inc.; Golf — Arne Fuglestad of Burns Bros. & Denton, Inc.; Horseshoe — C. Anderson McLeod of Chemical Corn Exchange Bank; Publicity — William H. Long, Jr. of Doremus & Co.; Special Features—James F. Keresey of Baker, Weeks & Co.; Stock Exchange—Robert M. Gardiner of Reynolds & Co.; Tennis—Wallace C. Latour of Merrill Lynch, Pierce, Fenner & Smith, Inc.; Trophy—George de B. Bell of Drexel & Co.

Copies of the Bawl Street Journal may be obtained from J. Bradley Green for $1.00 per copy.

K. F. Dietz Partner In Granbery, Marache

Kenneth F. Dietz has joined Granbery, Marache & Co., 67 Wall Street, New York City, members of the New York Stock Exchange, as a general partner, it has been announced.

Mr. Dietz formerly was a partner in W. C. Langley & Co., where he specialized in securities of companies in the electronics industry.

Partridge & Miller Trading for Kraft

LOS ANGELES, Calif.—Walter E. Partridge and Doyle Dean Miller are now on the trading desk of Oscar F. Kraft & Co., 530 West Sixth Street. Mr. Partridge was formerly with Morgan & Co. Mr. Miller has been associated with Oscar F. Kraft & Co.

The firm also announces that a new wire has been installed to Cruttenden, Podesta & Co., San Francisco.

Continued from first page

As We See It

military transfers under grants. That figure rose to something over $2.5 billion last year. In each year, something euphoniously termed unilateral transfers (other than military)—that is give-away programs—totaled some $2.3 billion.

Less Than Even

Taking these latter factors into account we just about broke even in 1958 before capital flows and gold movement, in 1957 we had a balance in our favor of about $3.5 billion. There is still more to the story. The United States Government "invested" nearly a billion dollars abroad in each of there two years—which leaves us definitely in the red for 1958 if we assume, as we must, that these investments are often give-away transfers masquerading as loans. Of course, private interests as usual in recent years placed additional funds abroad in the form of direct or other types of investment, but the net of it all was an adverse balance of some $3.4 billion against us which had to be paid in gold or IOU's—most of it (some $2.3 billion) in gold.

It has now become clear that we have not recovered our normal or usual flow of exports, and it is causing doubts as to whether we are likely to do so in the foreseeable future. Some economic revival is occurring in certain countries abroad and its continued growth may make some observable difference in the flow of our goods and services abroad, but unless all signs fail, there is a very real price differential against us in many foreign markets. It is possible, too, that with a revival of business in this country, lower priced goods abroad may be shipped here in larger amounts and thus aggravate the situation.

Let us face the fact—which would have been quite incredible in ordinary circumstances under the old system of really free enterprise—that an outflow of not far from $2.5 billion dollars in gold in the course of a single year has done nothing to redress the situation which brought the outflow into being! This is the really important fact of the whole business. It has done nothing of the sort for the reason that we planned it that way. We long ago under the leadership of Franklin Roosevelt and Maynard Keynes came to the conclusion that we could do a much better job of directing our economic affairs than could the natural forces which had served us so well through the decades and even the centuries. In the large outflow of gold last year — continued this year — we should find a warning that we may not be as omniscient as we had supposed.

The loss of the gold—at least up to now—is of no great consequence in and of itself. That this loss has not pinched the reserve system is, of course, due chiefly to the fact that reserve requirements imposed upon the Reserve banks were long ago drastically reduced to enable the country to escape the rigors of self-discipline normally induced by heavy loss of gold abroad. The Reserve system is still able to report gold holdings of some $19.7 billion as against a required holding (on the basis of current deposits and Federal Reserve notes outstanding) of something over $11.5 billion. It is true, of course, that foreigners have large short-term and other holdings in this country, which if withdrawn in large amounts in a short period of time could be embarrassing even under current relaxed, reserve requirements. The fact is, however, that the proper defense against such a contingency is not enormous holdings of gold, but sound management of our affairs in general.

Gold Movements Had Other Functions

Contrary to what appears to be the general impression in many quarters, gold has never been supposed to be merely a medium for settling adverse balance of payments, one country against another. It was regularly used in the days of *laissez-faire* to settle discrepancies in such payments, but the very use of it for that purpose tended quite effectively to eliminate the cause of the adverse balance. It is the fact that we appear determined now not to permit loss of gold to perform any such function, which is the disturbing aspect of the current situation. It means, or well may mean, that the causes which have brought about the larger outward movement of gold during the past year can continue to operate and to grow in strength more or less indefinitely.

And an indefinite continuation of these conditions—to say nothing of their aggravation—would in the end have far more serious consequences than loss of gold. If some of the public officials who have of late had something to say on the subject were to have their way in such circumstances, steps would be taken to halt the outflow of gold arbitrarily, and thus make sure that the salutary effect of its loss would not be felt in the economy. A good deal has been said in Administration quarters about the need for halting inflation. Budgetary restraint is to be employed—at least for the time being and within certain limits—if the Administration has its way. It has issued pleas to labor unions and management to be careful not to feed the flames of inflation further by excessive wages or further increases in prices. Plans and proposals are, however, far from adequate for the purpose. We are already pricing ourselves out of world markets and inviting competition from abroad, here at home. Positive readjustments, which the recession and the loss of gold should have induced are badly needed. How are we going to get them?

Johnston & Simpson Opens

(Special to The Financial Chronicle)

ORLANDO, Fla. — Johnston & Simpson Company, Inc. has been formed with offices at 3 North Rosalind to engage in a securities business. Officers are Wm. Johnston, President; Benjamin T. Simpson, Jr., Treasurer; and David R. Johnson, Secretary.

Form Kelly-Macbeth

SALT LAKE CITY, Utah—Paul V. Kelly is conducting a securities business from offices at 19 West South Temple under the firm name of Kelly-MacBeth Co.

James C. Powers Opens

(Special to The Financial Chronicle)

PORTLAND, Oreg. — James C. Powers is engaging in a securities business from offices at 1935 Southwest 12th Avenue.

Martin Berkowitz Opens

Martin Berkowitz is engaging in a securities business from offices at 44 Wall Street, New York City.

Barret, Fitch Branch

LEBANON, Mo.—Barret, Fitch, North & Co. has opened a branch office at 108 North Madison Avenue under the directon of Edward K. Owen.

J. D. Everard Now With Nuveen in NYC

J. David Everard, formerly Assistant Manager of John Nuveen & Co.'s Underwriting Department in Chicago, has been transferred to the company's New York headquarters, 25 Broad St., as New York Manager of the Underwriting Department, taking charge of its buying operation in that office, according to Chester W. Laing, President of the Investment Banking firm.

J. David Everard

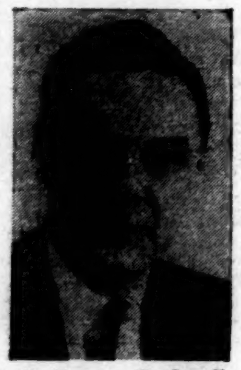
Everard became associated with the company in 1940 and has been a member of its underwriting staff since 1946.

Lucas, Eisen Branch

PRAIRIE VILLAGE, Kans.—Lucas, Eisen & Waeckerle, Inc. have opened a branch office at 2106 West 75th Street under the direction of J. Watson Ramsey, Jr.

NY Mun. Bond Club Receives Nominees

E. Barron Rockwell, a Vice-President of Halsey, Stuart & Co., has been nominated for the Presidency of the Municipal Bond Club of New York for 1959-1960. The Annual Meeting and election of officers will be held on Friday, June 12 at the Westchester Country Club, Rye, N. Y. in conjunction with the Club's 26th Annual Outing.



E. Barron Rockwell

Mr. Rockwell succeeds Wilbur M. Merritt of the First Boston Corp. Other recommendations made by a nominating committee, headed by Charles E. Weigold of Chas. E. Weigold & Co., include George LeVind, a Vice-President of Blyth & Co., Inc. for Vice-President; Charles L. Skinner, a Vice-President of Coffin & Burr, Inc. for Secretary; and Eugene L. DeStaebler for Treasurer. Nominations were also made for the following vacancies on the Board of Governors, Alfred S. Mante, Manager of the Municipal Bond Department, Smith, Barney & Co.; Craig deV. Simpson, Assistant Vice-President of Bankers Trust Co.; and George W. Hall, a Vice-President of William E. Pollock & Co. Mr. Hall is nominated to finish out a two-year term that Mr. Rockwell was elected to last year.

The Field Day is under the direction of Jerome J. Burke of Blyth & Co., Inc. who is the General Chairman.

Another big feature of the Field Day is the issuance of the "Daily Bond Crier," a humorous publication which distinguishes itself each year for its proficiency in making fun of the ways and manners of the Municipal Bond Market. Eugene E. Kelly, Jr. of Carl M. Loeb, Rhoades & Co. is Editor. Information on distribution of the "Bond Crier" can be obtained from William E. Simon of Weeden & Co., 25 Broad Street, New York City.

Wood, Walker & Co. Celebrates 90 Years

Wood, Walker & Co., 63 Wall Street, New York City, members of the New York Stock Exchange, on May 1 observed the 90th anniversary of the firm's founding.

Wood, Walker & Co. have been members of the New York Stock Exchange since 1869, Cornelius D. Wood — along with Samuel D. Davis, one of the firm's cofounders — having acquired the membership in 1862.

The firm's oldest employee today in terms of service is Wallis M. Rainey, Comptroller, a veteran of 45 years' service with Wood, Walker.

Midland Secs. Office

WINTERHAVEN, Fla. — Midland Securities Company, Inc. has opened a branch office at 122 West Central Avenue under the direction of Farris Campbell, Jr.

Central Pa. Secs.

SUNBURY, Pa.—Central Pennsylvania Securities Corporation has been formed with offices at 30 North Fourth Street to engage in a securities business. Officers are Jack W. Boyer, President; Donald R. Fisher, Vice-President and Treasurer; and James T. Carey, Secretary. All have been associated with James H. Drass, Inc.

Our Reporter on Governments

By JOHN T. CHIPPENDALE, JR.

The combined refunding and new money raising venture of the Treasury was concerned only with short-term obligations since the capital or long-term market is not in a position to absorb government bonds unless the coupon rate is considerably higher than is now allowed under the existing laws of the land. In other words, the government cannot sell a bond under the prevailing conditions with a 4¼% coupon on it, which is the legal limit.

In offering a combination of securities, all in the short-term classification, the Treasury was able to not only take care of the May 15 maturities but also to get enough cash to carry through the fiscal year which ends on June 30. There was no question but what the Treasury was on the spot and had a difficult job to do but, through the use of the several issues which were offered at intervals, the deal was put over.

Usual Treasury Surprise

The Treasury came up with its usual surprise in the recent operation. The $2,700,000,000 of special bills maturing May 15, will be paid off in cash. The $1,800,000,000 of certificates, also coming due on May 15, will be refunded with a one-year certificate, the interest rate of which will be made public today (May 7). The fixed rate for this one-year obligation will be set by the Treasury after the results have been known as to how the two offerings of bills have been received and as to the yield basis they went at even though they were sold on a discount basis.

A $2,000,000,000 issue of 340-day bills, maturing next April 15, were sold at auction May 6 with payment due May 11. The deposit banks are permitted to make payments for this long Treasury bill by credits to the tax and loan account. Today (May 7) the Treasury sold also at auction $1,500,000,000 of December tax anticipation bills which mature the 22, but can be turned in for the payment of income taxes the 15 of the month. Payment for this isssue is due on May 15 and there are no tax and loan account privileges which makes it a cash situation.

Treasury Cuts Money Requirements

The net result of this package deal is to reduce by between $700,000,000 and $1,200,000,000 the cash financing which had been expected this month, sometime after the refunding of the issues that were coming due had been taken care of. It is evident that the cash position of the Treasury has improved somewhat due mainly to payments of loans by England and West Germany. Also, it is believed that conservative estimates of cash needs, as well as somewhat improved income tax receipts, has given the Treasury a bit of a breather as far as immediate cash requirements are concerned even though the deficit of the government at the end of the fiscal year June 30 is still expected to be $13 billion or very close to it.

This three-way deal of the Treasury will enable the government to further its plan of having maturities of short-term issues fall within a fairly regular pattern with the 340-day bill fitting right into this idea. It is believed that the Treasury will make greater use of the long discount bill in future financing. Also, the December tax bills fills in the gap here, since it had been announced previously this was part of the general plan to put tax bills on a quarterly basis corresponding to the time that payments have to be made to the government.

It is reported that barring unforeseen circumstances the current financing should carry the Treasury through until early July as far as cash requirements are concerned. If there should be any changes in these plans it is quite likely they would be taken care of through an increase in the weekly offering of Treasury bills.

Increase in 4¼% Rate Limit Imminent

The question as to when the Treasury will ask for an increase in the interest rate limit for government bonds—that is obligations maturing in more than five years—appears to be mainly a matter of timing. It is evident that the Treasury is not going to extend the average maturity of the debt unless some long-term bonds are put out by the government and, under foreseeable money market and capital conditions, it is not going to be done with a 4¼% interest rate limit. In order to meet competitive conditions a higher coupon rate would seem to be in the cards for government bonds.

Twin-City Investment Women Meeting

MINNEAPOLIS, Minn. — The Twin City Investment Women's Club will hold a meeting on May 20 in the Normandy Room of the Normandy Hotel. Speaker for the evening will be George Powell, of the legal department of Prudential Insurance Company, who will speak on the "Value of Insurance in Estate Planning."

Form Nat Berger Assoc.

Nat Berger Associates, Inc. has been formed with offices at 565 Fifth Avenue, New York City, to engage in a securities business. Officers are Nathaniel L. Berger, President; Carl Derman and Simon Goldstein, Vice-Presidents; and Milton Chwasky, Secretary and Treasurer. All were formerly with Glickman Securities Corp.

Haydon Securities

DOVER, Del.—Haydon Securities, Inc. has been formed with offices at 129 South State Street to engage in a securities business. Officers are Raleigh L. Haydon, President and Marion Souffront, Secretary-Treasurer.

Robt. Minsky Opens

KEW GARDENS, N. Y.—Robert Minsky is conducting a securities business from offices at 120-60 Queens Boulevard.

Pratt & Co. Formed

WASHINGTON, D. C.—Pratt & Co. has been formed with offices in the Shoreham Building to engage in a securities business. Officers are Jack C. Pratt, President, and Mrs. Antonio Pratt, Secretary-Treasurer. Mr. Pratt was formerly with Ferris & Co. and Waddell & Reed, Inc.

Continued from page 3

Investment Opportunities Across the Ocean

Italian situation, however, it is necessary to take a look into history. Even in the early part of the 20th Century Italy was broken up into small provinces which used to fight among themselves, and consequently there has been little national unity. The second World War was highly unpopular among the Italians who were probably duped into this conflict by Hitler and Mussolini. Today there seems to be a strong cleavage between the northern and the southern Italians, especially as far as business and industry are concerned. There are basically two reasons for this cleavage: The first being the geographical advantage that the North holds industrially. Until recent years there has been an inadequate water supply in the southern part of Italy to develop this area properly industrially. This situation has been corrected to some degree and it is hoped that further investments will be made to make possible additional facilities for supplying water to southern Italy, preferably by American capital. The second factor that appears to have caused this difference between the two groups of Italians is that the southern Italians appear to be considerably less industrious than their northern neighbors. However, I was impressed with the northern Italians and believe that industry will do well and that there is plenty of room for industrial development and expansion. This is an area where I believe highly selective investments could be interesting.

No Stagnation in Germany

There has been a great deal of talk in this country about West Germany and this nation at the present time is unquestionably the most interesting not only because of its remarkable recovery but also because of its importance in the international situation. Actually the country plays no role itself, but the conflict between the Iron Curtain and the Free World centers around West Germany. This I will discuss shortly as it certainly should be an important determining factor in formulating future investment plans. I was tremendously impressed with the way the Germans have completely rebuilt their cities and industries which were almost entirely destroyed during the war. Business is thriving as indicated by the fact that one must wait six to eight months to purchase certain brands of automobiles as well as waiting as long as four months for such a simple item as a television set. However, the stock market in Germany has risen sharply anticipating the future as it has done in this country. Yields are low and price earnings ratios are high.

There is one basic difference, however, in my opinion between West Germany and the United States and that is that there is a much greater opportunity for further recovery in the capital goods industries, especially in the expansion of plants and equipment in West Germany whereas in the United States we have achieved adequate plant capacity in most cases. In my opinion, West Germany's economy is at approximately the 1954-55 level of our business cycle.

Contrasts East and West Berlins

Now I would like to discuss the international situation because another war even if limited to certain areas in Europe would of course be almost disastrous to investors in European securities. While I was in Germany I flew to Berlin for one day. This was the most exciting experience of my whole trip because today Berlin is the hub of the international situation. During my visit to the city I spent two hours in the Eastern sector and I want to state that this visit is the strongest medicine I have ever taken against Communism. In West Berlin there are 2,200,000 people living happily in spite of a high unemployment rate caused by the large number of East Germans fleeing from the Iron Curtain. The city has been almost completely reconstructed; there are modern buildings; good stores with plenty of wares; attractive restaurants; loads of cars on the streets; and happy people circulating around the city.

In East Berlin the contrast is devastating. In that area lie acres and acres of wreckage and rubble which apparently have not been touched since the war. While the Russians have built one token housing system called the Stalin Alley, and during my visit were constructing a new war memorial for their May Day parade, many of Berlin's beautiful buildings in their area remain unrepaired while housing conditions for the most part are deplorable. In the two hours I spent in East Berlin I saw only three automobiles on the street and very few people. Those whom I saw were stooped-shouldered and unhappy looking in contrast to the gay looking people in West Berlin. Having witnessed this scene it is my firm conviction that we should not turn over 2,200,000 people of free Berlin to the 1,100,000 Communists in East Berlin under any circumstances whatsoever regardless of the consequences.

I might add that West Berlin is of extreme importance not only to the West Germans but to the whole of free Europe because it represents a symbol of what protection America is prepared to give to the Free World. If Berlin were bargained off to the Russians, even for generous concessions on the Russians' part, I believe it would have a very demoralizing effect on the Western European nations and that eventually we would lose our hold there. This of course could lead only to weakening of our position and probably eventual war.

There was one other idea I picked up about the international situation which came from several different sources. There is a growing belief in Europe that Red China is becoming an increasing threat to Russia and that if America continues its firm stand we can contain the Russians on the West and within the next two to three years the threat of war with them would diminish significantly. At the same time it is felt that there would be a distinct probability of war between Russia and Red China in the future with the possibility of even the Western Powers aligning with Russia to curtail the Red Chinese threat.

Our final visit was in Holland where the Dutch people impressed me not only as being extremely industrious but also very resourceful. This country which has a limited amount of natural resources depends largely on its brains and trading ability. It is my feeling that capital may be well invested in the Dutch nation and in Dutch industries.

Lists Attractive Issues

The time has now come when I will give you the European securities which I feel are most attractive.

My first choice is Philips Lamp, the foreign shares of which are traded over-the-counter in either

50 Florin or 1,000 Florin certificates which may be purchased: These costing about $80 and $1,-600, respectively. This company, in my opinion, is the absolutely top one in Europe in the electronics field both in terms of plant, products, research, management and labor relations. The patient investor should be substantially rewarded over the years with this European blue chip from Holland.

My second choice is a German chemical company **Badische Anilin** which has American Depository Receipts trading over-the-counter at around $47 per share. This company, in my opinion, represents German industry at its best, is in a growth industry, ably managed and like Philips Lamp should benefit from the Common Market.

Let me explain briefly at this time what the Common Market means for those who are not conversant with it. Tentative agreements have been set up by France, Italy, West Germany, Holland, Belgium and Luxembourg to achieve the following objectives:

(1) A gradual removal of trade barriers among the member countries;

(2) Working up of common policies with respect to general procedures;

(3) Drawing up rules to ensure free and equal competition;

(4) Taking steps to make full use of the resources of the member countries.

If the Common Market succeeds (and this might take some years) it is the feeling that each member country will become strong in certain industries. As a result, each country will be able to develop strong markets in these particular industries not only within the group, but it will enable them to compete with the United States and overseas countries for world markets.

My third choice is an Italian company — **Montecatini Chemical** listed on the New York Stock Exchange and selling around 25. The price does not seem to be out of line with earnings when comparing it with other chemical companies and I was very impressed with its products, especially in the wide area of the plastics field. While visiting the Montecatini company we were taken to the Industrial Fair in Milan and shown Montecatini's display there. This gave us an idea of the wide field of plastic products of various types that the company produces and it was indeed an impressive one which led me to believe that Montecatini is first and foremost in this field in Europe.

My fourth choice is **United Steel Companies**, an integrated steel group whose common stock sells at an amazing low value statistically due ot the threat of a Labor victory in the British election. If the Labour Party wins and the steel industry is nationalized, I believe that the shareholders would receive 25% to 30% less than the current market value of the stock whereas if the Conservatives win, assuring them another five years in office, the stock could easily increase 50% to 100% in value. The American Depository Receipts are traded over-the-counter and sell somewhere under $5 per share. Incidentally, the British steel people are extremely interested in seeing substantial investments of American capital made in British steel stocks because it is their feeling that if these American investments were large enough the Labour Party, if elected, would be much more hesitant to nationalize the steel industry.

In concluding I would like to state this three week's trip which we made to Europe has made many of us realize two things: The first thing that we have realized is that there are many attractive opportunities for investments across the ocean, especially at a time when our stock market is historically high. The second thing we realized, and this I believe is of utmost importance, is that no longer can we be an isolationist country and that we have several important obligations across the ocean both military and economic. The future of Europe lies to a great extent in our hands today.

Forms Carleton Secs.

NEW ROCHELLE, N. Y.—Harold Rothenberg is conducting a securities business from offices at 310 North Avenue, under the firm name of Carleton Securities Co. Mr. Rothenberg was formerly with First Investors Corporation.

Commodity Exchange, Inc. Elects Five New Members

Commodity Exchange, Inc., New York, has announced the election to full trading privileges on the Exchange of Alan Greenspan, President of Townsend Greenspan & Co., economic consultants; Walter H. Knorr, Treasurer of Continental Copper & Steel Industries, Inc.; Herman Martin, owner of Martineque Mills & Co., textile dealers; Jose M. Sorino, Vice-President of The J. H. Foley Corporation, representatives for the Atlas Consolidated and Development Corp., a copper mine in the Far East; and Sidney Sharpe, Chairman of Anglo Continental Commodities Limited, London, England.

A. A. Apfel Joins Bache in Cincinnati

CINCINNATI, Ohio—Alfred A. Apfel has joined the investment firm of Bache & Co. and will serve as the commodity specialist at the firm's Cincinnati, Ohio office, Dixie Terminal Building.

Formerly with Continental Grain Company in Nashville, Tenn., Mr. Apfel was later transferred to that company's St. Louis office where he subsequently became a member of the St. Louis Merchants Exchange. He is a graduate of Cornell University.

Bache & Co. holds memberships in all principal securities and commodity exchanges in the United States.

Richards With Boston Branch of Albert Frank

Robert L. Richards, for the past several years an account executive with the New York headquarters of Albert Frank—Guenther Law, Inc., has been transferred to the agency's Boston office. Mr. Richards' prior association was with the New Bedford (Mass.) Standard Times.

Evans, MacCormack Opens Branch Office

HEMET, Calif. — Evans, MacCormack & Co. has opened a branch office at 126 South Harvard Street, under the direction of Phillip B. Cross.

Continued from first page

Some Sail-Trimming by the Funds

exceeded sales by only 41% contrasted with 77% in the final quarter of 1958. This stepped-up liquidation was, naturally, concentrated in the balanced funds whose sales slightly exceeded purchases—compared with a 41% excess of buying during the previous period. In the case of the open-end stock funds the excess of purchases over sales receded to 67% from 104%; in the case of the closed-end companies the buying excess fell to 19.5% from 58%.

THE FAVORITE ISSUES

First place in popularity of individual issues was easily captured by Ford, both in the number of buying managements (13, with only two sellers) and in dollar volume (approximately $17.7 million). Sharing the popularity spotlight were Monsanto Chemical, Philips' Lamp Works, du Pont, RCA, International Nickel, North American Aviation, and IBM. The issue most widely sold was Standard Oil of New Jersey; followed by Parke, Davis, Boeing and ATT (for details see Table "Changes in Common Stock Holdings" on page 28).

THE DEFENSIVE CONTINGENT

Typical of the more defensive attitude is this statement by D. Moreau Barringer of Delaware Fund, Inc.: "By 'dragging our heels' on investing incoming cash, the common stock proportion of the list has decreased a bit. The fact that we can realize something like an annual return of 3.3% [now over 4%] on short-term government agency issues makes this much retreat from the more inflated part of the common stock market easier to justify."

Similarly, Francis F. Randolph speaking as Chairman of the Tri Group's Whitehall Fund, says: "Most of the new money received during the past three months was used to add to bond and preferred stock holdings, and issues convertible into common stock were favored."

The Concord Fund's defensive position with accumulation of substantial cash has been spelled out by its President Waddill Catchings thus: "As of March 31, cash and equivalent comprised 25% of net assets. In making investments we were investing in those areas which suffer least in periods of tight money and which are quick to revive when the change comes in Federal Reserve Policy."

The trustees of General Investors Trust, stressing the inverse stock-bond yield ratio, say: "A defensive position has been maintained to take advantage of any correction in the market level. This reserve, unlike many periods in the past, provides a larger percentage return on investment than the present yield on many good industrial stocks."

After citing the usual constructive economic features, M. Jenning von de Heyde, President of The Johnston Mutual Fund, Inc., cautions thus: "We are not, however, without problems. The coming wage negotiations in the steel industry may result in another inflationary turn in the wage spiral and produce imbalances in the economy. The rapid rise in the stock market has induced an element of speculation, particularly among small investors, which is causing undue fluctuations in some securities. While we continue to believe that any likely market reaction will be of limited extent, we are endeavoring to exercise special care in selecting investments for the Fund, and some reserves are being maintained for new investment opportunities that our studies and events, may disclose."

Funds preponderantly on the selling side of equities were: American Business Shares (with no purchases), Axe Houghton Stock, Axe Science, Eaton & Howard Balanced, National Securities Income Series, New England Fund, Scudder Stevens & Clark, Value Line Fund, Value Line Income Fund, Wellington, Delaware, Incorporated Investors, General American Investors, Madison Fund, Niagara Share, Tri-Continental, and as for some time past, U. S. & Foreign.

The greatest excess of equity sales over purchases was engaged in by Value Line Income Fund and by Wellington Fund.

Particularly striking is Wellington's sail-trimming. During the quarter it sold $40.7 million worth of stocks, while buying only $27.1 million. Largely as a result of this, Wellington increased its holdings of cash and governments from $67.2 million to $92 million, or from 7.8% of net assets to 10.2%. Among issues completely eliminated in the process were Allied Chemical, Dow Chemical, Pittsburgh Plate Glass, Amerada, C.I.T. Financial, U. S. Foil and Bethlehem (85,000 shares).

THE BULLISH GROUP

Edward A. Merkle, of Madison Fund, reports a reduction in holdings of defensive stocks.

Jack J. Dreyfus, President of the enterprising fund bearing his name, gives this reassurance: "Fortunately, as we have said earlier, the major securities markets have not been the subject of reckless speculation. With the existing margin rules, the speculators do not have the purchasing power to seriously affect a large bulk of securities. Investors' funds continue to play a large part in the daily transactions. For this reason and others, we continue to take an optimistic view of the market, and your Fund is almost fully invested in common stocks.

"In the first quarter of this year, the Dreyfus Fund substantially increased its position in airline stocks. In addition, the Fund established a substantial position in motor stocks."

The bullish activities of Blue Ridge were backed up by the following comment by its President, Milan D. Popovic: "The progressive character of our economy is undeniable. There is also reassuring evidence that recessions, when they periodically occur as necessary correctives in a free enterprise system, can be retarded and reversed before they assume serious proportions, partially by built-in controls and by special action which will inevitably be exercised in the case of need. . . . Our economy is dynamic and in the recent recession showed an impressive ability to come back. Holding selected stocks appears justified where a searching analysis reveals that appreciation is likely even if we do not reach the millenium expected by some."

Funds exhibiting continuing bullishness included Axe Houghton Fund B, Broad Street Investing, Diversified Investment Fund, Institutional Foundation Fund, Investors Mutual, Johnston Mutual, Massachusetts Life Fund, Mutual Investment Fund, Nation-Wide Securities, Putnam Fund, Shareholders' Trust of Boston, Aberdeen Fund, Affiliated Fund, Blue Ridge, Bullock, Chemical Fund, Dividend Shares, Dreyfus, Eaton & Howard Stock, Energy Fund, Fidelity Fund, Fundamental Investors, M.I.T., and M. I. Growth, One William Street, Lehman Corp., the United Funds Group, American European, and Dominick Fund (with the proceeds of a recent rights offering).

One William Street, one of "the big two" funds formed in 1958, bought securities other than governments aggregating $41.1 million against total sales of $16.6 million. Among the new acquisitions during the quarter were Algoma Steel, Eaton Manufacturing, Hollinger Consolidated Gold Mines, Tennessee Gas Transmission, Union Bag-Camp Paper, Public Service Electric & Gas, Reynolds Metals and Moore Corp. Ltd. Among portfolio reductions were: Commercial Credit, Standard Oil of New Jersey, U. S. Steel, and National Steel. IBM remained as this portfolio's largest single holding.

Its "Sister Fund," Lehman Corporation, was the second largest buyer of popular International Nickel, to the tune of 15,000 shares. Other issues acquired by this management included Schlumberger Ltd., J. P. Morgan, Pan American Airways, Rhodesian Anglo American, and the fast-stepping Texas Instruments—with some switching among the oils including substantial purchases of Mission Development and Reserve Oil & Gas.

Among the substantial liquidations engaged in by Lazard was that of its largest holding, namely, 25,000 shares of American Telephone ("market appreciation not unrelated to the three-for-one stock split and an increase in dividend had, we believed, materially lessened its appreciation potential"). This management also reduced its holdings in the domestic oils, while increasing its internationals, Royal Dutch, Gulf and Texas. ("This shift, admittedly at variance with current market sentiment, we believe justified on the basis of relative values").

INTEREST ABROAD

The generally increased investing interest abroad has spilled over into fund portfolio policies. This had been spearheaded by purchases of Royal Dutch and Philips' Lamp Works. Now Lazard has acquired a stake in the Common Market, via acquisition of Acieries de Longwy, Saint Gobain, Forges et Acieries du Nord et de l'Est, Generale d'Electricite, Michelin Tire, Rhone-Poulenc, and Siemens & Halske. In addition to Philips and Royal Dutch, the most popular of the foreign companies with the funds here has become Siemens & Halske, the largest German manufacturer of electrical equipment and electronics—a new name here but for a long time a Blue Chip abroad. It has been acquired by five other fund managements in the recent quarter: United Corporation, the United Funds Group, Investment Trust of Boston, Wisconsin Fund, and Energy Fund. Some fairly good buying also came into Unilever and Montecatini.

Canadian and African gold stocks were bought by United Continental. On the other hand, a block of 49,600 shares of British Petroleum was completely eliminated by Madison Fund. Imperial Chemical Industries convertible bonds were bought by Atomic Development Mutual Fund.

* * *

POLICY TOWARD INDUSTRY GROUPS

The following analysis of portfolio changes, drawn from our tabulation on page 28 of transactions in more than 450 stock issues, is based on the number of managements buying or selling, rather

than on the number of shares involved.

During the March quarter fund managements particularly favored the following groups: automotive, chemical, glass, electrical and electronics, insurance, machinery and industrial equipment, copper, natural gas, utilities, rails and rail equipment, rubber, steel, textile, tobacco; with considerable renewed buying of the substantially held oils.

Quite heavily sold were the finance companies, banks and some drug issues.

Mixed groups, where considerable selling accompanied buying, were the aircrafts, airlines, beverages, building equipment, containers, food, office equipment, paper, and radio-TV-movies.

THE FAVORED GROUPS

Automotives Accelerated

Ford, as pointed out above, was the best bought stock among all groups. In the 13 buying managements were Investment Co. of America (80,000 shares newly), Fundamental Investors (50,000 new), United Funds Group (47,-500), State Street and Wellington each with 35,000, and Affiliated with 20,000 shares. Among the six managements buying 93,100 shares of General Motors were Wellington (35,000) and Dreyfus and Putnam with 25,000 shares each. Sellers again exceeded buyers in Chrysler.

Automotive Equipment in Forward Gear

Thompson Ramo Wooldridge was bought by five managements, including United Corp. and National Aviation, the acquiring managements overbalancing the sellers which included Wellington and General American Investors. Issues in this group having only buyers included Champion Spark Plug, Clark Equipment, Dana, Electric Storage Battery and Timken.

Chemicals Bought

By far the best liked chemical stock was Monsanto with 13 managements buying, including four for the first time, and only two sellers. The largest buyer was Chemical Fund (46,600 shares).

Next most popular chemical was du Pont with 11 buyers, followed by Allied Chemical, Dow, and Union Carbide. Liquidation hit American Cyanamid, with the United Funds group closing out 68,000 shares.

Glass Issues Sought

Good-sized buying came into these issues, particularly Libbey-Owens-Ford, of which M. I. T. and Chemical Fund each bought 10,000 shares. Owens-Illinois Glass was also bought by M. I. T. to the tune of 20,000 shares (newly), with Chemical Fund here a seller of 16,000 shares.

Electricals and Electronics Lead in Interest

Philips' Lamp Works, as before, attracted the largest interest in this group. First-time buyers included M. I. T. (75,000), Dominick Fund (7,500) and United Corp. (5,500). There was not a seller of Philips' although Madison Fund liquidated its 1,000,000 guilders of convertible bonds prior to their call for redemption. Close runners-up were RCA and Westinghouse. Largest buyer of RCA was Investment Co. of America (20,000 newly). By far the largest Westinghouse buyer was the Tri Group with 83,000 shares, followed by One William Street with 50,000 shares. General Electric was bought by Investors Mutual (39,700), Lehman, Madison, and others. For comment on newly liked Siemens & Halske, see above.

Profit-taking in this group outweighed purchases in the case of Consolidated Electrodynamics, ITT, Litton Industries, Sperry Rand and Sunbeam.

Insurance Stocks Continue Popular

With clarification on the industry's overhanging tax problems finally coming to conclusion, the life companies' stocks perked up during the quarter. Connecticut General, which has been advancing to new highs previous to a favorable exemption provision enacted into the law of its state, was bought by Investors Mutual, Lazard, and One William. Aetna Life was bought by Investment Co. of America and General Capital. National Life and Accident was bought by Electric Bond and Share (8,000 newly). Investors Mutual, and Investment Co. of America. There was no selling in the issues named, but U. S. Life was liquidated by One William Street.

In the casualty group, Continental, Fireman's Fund and Maryland, along with the diversified Travelers were well bought.

The latter was bought by five funds: Incorporated Investors (8,-900), Investment Co. of America, Dominick, Eaton & Howard Stock, and General Capital; with Madison the lone seller (10,000).

Metals Liked

In the metals group, opinion was divided about **aluminum** stocks, with buyers and sellers approximately balanced in Aluminium Ltd., Alcoa and Reynolds Metals; and with Kaiser Aluminum the sole favorite.

Among the **coppers** a popular standout was Anaconda with nine buyers and no sellers; the largest buying coming from Tri-Broad Street with 40,000 shares. Other favored coppers were Kennecott and Phelps Dodge, as well as expanding Cerro de Pasco in which Wellington established a new position (63,500) and Investment Co. of America was another buyer (20,000) while Lehman sold its 10,000 shares.

Some interest continued in **gold** stocks, including a new name Blyvoors.

Among other metals, International Nickel, meeting increased favor, was acquired by Chemical (18,000 new), Lehman (15,000), and Affiliated (12,200 new); with Concord Fund the sole seller.

Natural Gas Liked

American Natural Gas, coincident with its rights offering, was bought by 11 fund managements, but in terms of dollar value this was greatly outweighed by the concurrent selling of 56,-800 shares by Investors Mutual, and close-outs by One William and Delaware. Well-liked was Tennessee Gas Transmission with seven buyers, including One William, with an initial commitment of 55,000 shares. On the other hand, selling exceeded buying especially in United Gas.

Oils Still Generally Favored

In the face of the investment community's souring on the petroleum stocks following the worldwide clouding of the outlook for that industry, fund managers generally maintained their long-continued favoring of this sector. In view of the large proportions of most portfolios already devoted to the oils, further additions were naturally moderate. As a result of the recent laggard market action of the oil stocks, such additions just about served to maintain the funds' portfolio percentages invested therein.

Most popular issue was still Royal Dutch, although purchases fell short of those in the previous quarters. Largest buyer was Investors' Mutual (41,800), followed by Affiliated Fund (30,000), Bullock Group (22,000), Lazard (15,-000), and others. Texaco (nee Texas Company) replaced Gulf as the runner-up issue, being purchased, among others, by Investors Mutual, Wellington, Chemical Fund, United Funds Group and Lazard; while being sold by Lehman and Dreyfus. Also popular were Phillips, Sunray Mid-Continent, Atlantic Refining, Standard of Indiana and Shell. Gulf retained its popularity for six buyers, with three sellers.

Only two petroleum issues encountered any marked disfavor, Amerada and more emphatically, Jersey. Largest sellers of Amerada were Wellington (35,000 close-out) and U. S. & Foreign (10,000). In the case of Jersey, which completely reversed its popularity of the preceding quarter, sellers included One William (30,250 close-out), Lehman (10,-000), Electric Bond and Share (26,000), U. S. & Foreign (15,-000), Delaware (12,200 close-out), State Street (10,000), and Adams-AIC group (10,000). Most of these sellers switched into other oil issues, which served to provide more buying than in the previous quarter in such issues as Phillips, Sunray, Louisiana Land, and Mission Development.

Utilities Again Bought on Balance

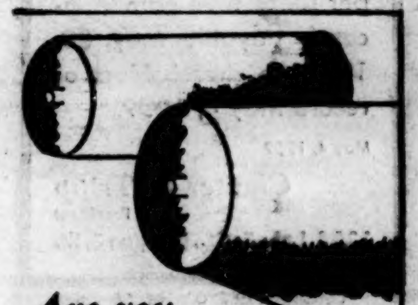
Most popular utility issue was Southern California Edison, with eight buying managements and only one seller.

Also well liked were Peoples Gas Light and Coke, General Public Utilities, Rochester Gas & Electric, and still Southern Co. The latter issue, which has enjoyed remarkable market rises since its spin-off in old Commonwealth & Southern's dissolution, attracted buying by M.I.T. (70,000), Incorporated Investors (31,500), One William (20,000), Madison (15,000) and Stein Roe & Farnham Balanced Fund (5,-000), Eaton & Howard Balanced was the lone seller (5,000 partial). Utilities sold on balance again included Columbia Gas with a 101,100-share complete disposal by Affiliated Fund; and San Diego Gas & Electric with a 94,500-share divestment by Madison Fund.

Pre-split American Telephone was sold by eight managements and bought by only four. Its largest seller was Lazard, whose leading holding it had been. It was bought by Fidelity as a large new acquisition (16,000).

In contrast, General Telephone (now enjoying the glamorizing addition of "Electronics" to its corporate name) was bought on balance in a 6-to-1 ratio, the purchasers including Lehman, One

Continued on page 28



Continued from page 27

William, and United Accumulative; with Fidelity the only seller.

Rails Esteemed

The carriers maintained their cyclical return to some popularity. High quality Southern Pacific proved the favorite, with M.I.T. the largest buyer (25,000). Also bought were Southern Railway, Atchison, and C. & O. while B. & O. and Rio Grande encountered light selling.

Rail Equipments Ancillary Favorites

As a corollary to the upturn in the rails, railroad equipment makers continued to benefit. Issues bought moderately and without any selling included American Brake Shoe, General American Transportation, General Railway Signal, and Pullman. Opinion was split on ACF Industries, and unfavorable to Westinghouse Air Brake.

Retail Issues Moderately Liked

In an irregularly popular retail group, the two best-liked issues were Sears and Montgomery Ward, the latter finally emerging from its long doldrums. Sears found a particularly large buyer in the Bullock Group (44,800), with United Accumulative coming along with a 20,000-share acquisition. Coincident with its large secondary offering, A & P was bought by four managements in a total of 186,500 shares, including 110,000

Continued on page 31

Changes in Common Stock Holdings of 67 Investment Management Groups

(January-March, 1959)

Issues in which transactions by more than one management group occurred. Issues which more managements sold than bought are in italics. Numerals in parentheses indicate number of managements making entirely new purchases or completely eliminating the stock from their portfolios. *(Purchases shown exclude shares received through stock splits, stock dividends or spin-offs. Changes through mergers also disregarded.)*

—Bought— No. of Trusts	No. of Shares		—Sold— No. of Shares	No. of Trusts
		Agricultural Equipment		
3	18,600	International Harvester	7,000	2
4	*50,300*	*Deere*	*39,900*	*8(3)*
		Aircraft and Aircraft Equipment		
4	10,500	Bendix Aviation	1,050	1(1)
1	10,000	Curtiss-Wright	10,000	1(1)
5(4)	9,100	General Dynamics	5,000	2
7	110,400	Martin	17,000	2(1)
10(3)	62,600	North American Aviation	24,000	4
None	*None*	*Aerojet-General*	*18,700*	*3*
4(1)	*18,700*	*Boeing*	*204,412*	*8(1)*
1(1)	*1,000*	*Douglas*	*18,626*	*4(2)*
2(1)	*2,400*	*Lockheed*	*9,400*	*3(1)*
3(2)	*14,100*	*United Aircraft*	*73,000*	*6(4)*
		Airlines		
1	14,000	Delta Airlines	500	1
2	2,060	Eastern Airlines	4,898	2
2(2)	13,000	KLM Royal Dutch Airlines	None	None
2	4,700	Northwest Airlines	5,000	1
2	10,380	United Air Lines	5,131	2
6(1)	*79,300*	*American Airlines*	*48,200*	*7(3)*
1(1)	*10,000*	*Braniff Airways*	*28,300*	*2*
2(2)	*90,000*	*Pan American World Airways*	*135,800*	*5(1)*
		Automotive		
13(9)	322,500	Ford	5,100	2(1)
2	45,600	Fruehauf Trailer	None	None
6	93,100	General Motors	8,000	2(1)
3(2)	20,500	Mack Trucks	None	None
1(1)	*15,000*	*Chrysler*	*24,000*	*4(3)*
		Automotive Equipment		
3(1)	41,300	Champion Spark Plug	None	None
2(1)	28,500	Clark Equipment	None	None
2(1)	4,200	Dana	None	None
2(1)	43,900	Eaton Manufacturing	20,000	1(1)
3	33,600	Electric Storage Battery	None	None
5	17,600	Thompson Ramo Wooldridge	15,800	3
2(1)	13,400	Timken Roller Bearing	None	None
None	*None*	*Briggs & Stratton*	*31,000*	*2(2)*
1	*11,000*	*Stewart-Warner*	*6,674*	*2*
		Banks		
2(1)	7,000	Bankers Trust	4,000	1
2(1)	4,200	Cont'l Ill. Nat'l Bank & Trust	None	None
1(1)	50,000	Hanover Bank	5,000	1
3(2)	87,000	First Nat'l City Bk. of New York	15,700	3(2)
1	10,000	New York Trust	4,300	1(1)
None	*None*	*Chase Manhattan*	*11,400*	*3*
1	*4,000*	*Chemical Corn Exchange*	*20,500*	*3*
None	*None*	*Guaranty Trust*	*20,000*	*3(2)*
None	*None*	*Irving Trust*	*14,860*	*2(1)*
None	*None*	*Manufacturers Trust*	*6,500*	*2*
None	*None*	*Mellon National Bank & Trust*	*1,024*	*2*
		Beverages		
1	1,000	National Distillers & Chemical	9,000	1
2	22,300	Pepsi-Cola	None	None
2	*1,500*	*Coca-Cola*	*67,200*	*6(4)*
		Building, Construction and Equipment		
2	36,000	American Radiator & Standard	21,000	2(1)
1(1)	2,000	Bestwall Gypsum	3,000	1
2	1,132	Flintkote	None	None
5(1)	18,800	General Portland Cement	None	None
4	28,500	Johns-Manville	5,000	1(1)
1	700	Lone Star Cement	1,000	1(1)
2	2,600	Minneapolis-Honeywell	2,000	1
2	14,200	National Lead	None	None
1(1)	20,000	Neptune Meter	30,200	1(1)
2(1)	11,000	Trane	4,500	2
1	3,000	U. S. Pipe & Foundry	6,000	1(1)
2	2,500	Weyerhaeuser Timber	20,000	1(1)
2(1)	5,100	Yale & Towne	None	None
2(1)	*4,500*	*Armstrong Cork*	*17,300*	*3*
None	*None*	*Carrier*	*2,300*	*2(1)*
None	*None*	*Lehigh Portland Cement*	*18,000*	*2(2)*
1	*900*	*Otis Elevator*	*13,000*	*4*
None	*None*	*U. S. Gypsum*	*20,000*	*2(2)*
None	*None*	*U. S. Plywood*	*11,000*	*3(1)*
		Chemicals and Fertilizer		
9(1)	60,084	Allied Chemical	17,000	1(1)
2	9,800	American Agricultural Chemical	None	None
3(2)	8,700	American Potash & Chemical	None	None
1(1)	200	Atlas Powder	8,000	1(1)
2(1)	13,500	Columbian Carbon	12,100	1
3(1)	15,200	Diamond Alkali	None	None
8(2)	38,478	Dow Chemical	24,600	5(2)
11(3)	16,700	Du Pont	2,600	3
2	364	Eastman Kodak	None	None
3(1)	28,200	Food Machinery & Chemical	15,800	1
3(1)	3,000	Freeport Sulphur	12,000	2(1)
1	2,000	Hercules Powder	5,000	1
3(1)	18,500	Hooker Chemical	13,000	1
1	55	Interchemical	3,100	1
13(4)	133,600	Monsanto Chemical	21,000	2
3(2)	40,000	Olin Mathieson	3,200	1
3(1)	1,660	Rohm & Haas	900	2(1)
1	4,000	Spencer Chemical	300	1
5(2)	7,400	Stauffer Chemical	8,000	1(1)
2	36,000	Tennessee Corp.	65,700	1(1)
8(1)	25,100	Union Carbide	None	None
2	5,800	United Carbon	None	None
2	*4,500*	*Air Reduction*	*4,700*	*3(1)*
2(1)	*5,000*	*American Cyanamid*	*93,300*	*5(2)*
2	*2,200*	*Internat'l Minerals & Chemicals*	*38,900*	*4(2)*
1	*3,000*	*Pan American Sulphur*	*54,820*	*2(1)*
None	*None*	*Pennsalt Chemicals*	*11,400*	*2*
		Coal and Coke		
2(1)	28,000	Consolidation Coal	None	None
2(2)	26,000	Eastern Gas & Fuel	None	None
2	3,000	Island Creek Coal	7,000	2(2)
2(1)	18,935	Pittston	2,200	1
2(1)	6,000	United Electric Coal	None	None
		Containers and Glass		
5(1)	31,600	Continental Can	26,200	4(2)
5(1)	9,900	Corning Glass Works	10,700	3
6(1)	31,900	Libbey-Owens-Ford Glass	10,000	2
5	12,500	Owens-Corning Fiberglas	4,400	2(1)
6(3)	26,200	Owens-Illinois Glass	22,000	2
5	5,200	Pittsburgh Plate Glass	8,500	2(2)
None	*None*	*American Can*	*54,900*	*6(4)*
		Drug Products		
1	900	Abbott Laboratories	5,000	1(1)
2(2)	11,000	Carter Products	None	None
4(2)	26,000	Lilly (Eli) "B"	4,700	2
5(1)	12,900	Merck	11,000	2
6(2)	27,400	Schering	None	None
3	7,000	Smith, Kline & French	5,000	1
2(1)	9,500	Upjohn	7,300	1(1)
2(1)	*26,700*	*Bristol-Myers*	*47,700*	*3(2)*
1	*18,000*	*Mead Johnson*	*25,000*	*3(1)*
1(1)	*5,300*	*Parke, Davis*	*190,600*	*8(3)*
None	*None*	*Pfizer (Chas.)*	*10,500*	*5*
1(1)	*500*	*Sterling Drug*	*1,900*	*2(1)*
None	*None*	*Vick Chemical*	*4,500*	*2*
None	*None*	*Warner-Lambert*	*17,300*	*3(1)*
		Electrical Equipment and Electronics		
1	8,800	Electronics Associates	600	1
6(1)	52,300	General Electric	7,000	3(1)
2(1)	11,750	Hazeltine	17,015	1(1)
1(1)	500	Hoffman Electronics	6,000	1(1)
2(2)	7,800	I-T-E Circuit Breaker	None	None
2(1)	38,000	McGraw-Edison	49,300	1(1)
2	5,100	Philco	1,000	1
11(5)	121,400	Philips' Lamp Works (50-guilder shs. or equivalent)	None	None
10(3)	54,200	Radio Corp.	20,500	2(1)
2(1)	13,300	Reliance Elec. & Engineering	None	None
6(6)	63,500	Siemens & Halske (DM-50 ADRs or equivalent)	None	None
1	12,500	Square D	1,000	1
6(3)	33,100	Texas Instruments	11,400	5
8(2)	152,900	Westinghouse Electric	4,000	1
2(1)	*7,750*	*Ampex*	*11,500*	*4*
None	*None*	*Consolidated Electrodynamics*	*66,200*	*2(2)*
None	*None*	*Hewlett-Packard*	*12,500*	*2(1)*
2	*7,300*	*International Tel. & Tel.*	*21,000*	*4*
1	*270*	*Litton Industries*	*11,500*	*2*
None	*None*	*Machlett Laboratories*	*3,000*	*2(1)*
1(1)	*3,000*	*Raytheon Mfg.*	*3,525*	*2*
2(1)	*2,900*	*Sperry Rand*	*20,900*	*3(2)*
1	*7,800*	*Sunbeam*	*17,000*	*3(1)*
None	*None*	*Varian Associates*	*12,800*	*3(1)*
		Finance Companies		
2(1)	7,700	Beneficial Finance	None	None
2	4,000	Pacific Finance	200	1
1	*5,000*	*Associates Investment*	*9,700*	*3*
3(1)	*85,000*	*C. I. T. Financial*	*81,700*	*7(5)*
1	*2,000*	*Commercial Credit*	*53,200*	*6(3)*
1	*31,000*	*Household Finance*	*20,000*	*2(1)*
		Food Products		
1	3,000	Campbell Soup	15,000	1(1)
1(1)	22,500	Foremost Dairies	15,800	1
1	7,200	General Foods	1,300	1(1)
1	1,700	Heinz (H. J.)	4,800	1
1(1)	10,000	Minute Maid	4,000	1(1)
2	9,400	Penick & Ford	1,800	1(1)
1(1)	3,500	Pillsbury	6,000	1(1)
7(3)	64,000	Swift	None	None
3	4,200	United Fruit	500	1
None	*None*	*Borden*	*13,000*	*2(1)*
2(1)	*38,500*	*Corn Products*	*39,000*	*3(1)*
None	*None*	*General Mills*	*4,100*	*2(2)*
None	*None*	*Standard Brands*	*4,000*	*2*
		Insurance—Fire & Casualty		
2	3,250	Continental Casualty	None	None
2(1)	7,000	Fireman's Fund	3,000	2(1)
2	900	Hartford Fire	500	1
1	750	Insurance Co. of North America	1,000	1
2	5,000	Maryland Casualty	1,000	1
5	16,000	Travelers Insurance	10,000	1(1)
None	*None*	*Great American Insurance*	*2,000*	*2(2)*

—Bought— No. of Trusts	No. of Shares		—Sold— No. of Shares	No. of Trusts
		Insurance—Life		
2	5,100	Aetna Life	None	None
3	6,700	Connecticut General Life	None	None
2	700	Franklin Life	None	None
3(1)	13,800	National Life & Accident	None	None
1	1,000	U. S. Life	7,500	1(1)
		Machinery, Machine Tools and Industrial Equipment		
3(1)	9,600	Black & Decker	None	None
5	9,200	Caterpillar Tractor	None	None
3(1)	10,000	Chicago Pneumatic Tool	5,000	1(1)
3(1)	8,500	Combustion Engineering	None	None
2(1)	10,100	Cooper-Bessemer	6,000	1(1)
3	5,300	Dresser Industries	17,000	2(1)
2	4,100	Ex-Cell-O	2,500	2
1	11,200	Ingersoll-Rand	1,000	1(1)
2	5,000	Joy Mfg.	2,400	1(1)
4(2)	10,800	Singer Mfg.	5,800	1
2(1)	12,100	Universal Winding	None	None
2	8,600	Worthington	None	None
None	*None*	*Allis-Chalmers*	*15,100*	*5(4)*
1(1)	*10,000*	*Emhart Mfg.*	*26,500*	*2(2)*
2	*6,000*	*United Shoe Machinery*	*25,900*	*3*
		Metals and Mining—Aluminum		
7(2)	68,300	Aluminium Ltd.	117,100	7(4)
4	3,400	Aluminum Co. of America	31,500	3(3)
5(1)	39,500	Kaiser Aluminum	200	1(1)
7(1)	25,200	Reynolds Metals	29,528	6(2)
3(1)	31,800	U. S. Foil "B"	26,010	1(1)
		Metals and Mining—Copper		
9(1)	80,500	Anaconda	None	None
5(1)	38,500	Cerro de Pasco	10,000	1(1)
1	600	General Cable	20,000	1(1)
2(1)	15,500	Inspiration Consolidated Copper	None	None
6(3)	26,000	Kennecott Copper	10,200	3
2	3,400	Magma Copper	None	None
2(1)	10,500	Miami Copper	None	None
4(1)	11,000	Phelps Dodge	None	None
2(1)	18,000	Revere Copper & Brass	21,000	1(1)
		Metals and Mining—Gold		
2(2)	46,500	Blyvooruitzicht Gold	None	None
2(1)	2,700	Homestake Mining	5,000	1(1)
1	5,000	Kerr-Addison Gold Mines	12,600	1
		Metals and Mining—Other		
2(1)	8,000	Gunnar Mines	None	None
2(2)	70,000	Hollinger Consolidated	None	None
11(2)	68,500	International Nickel	2,400	1
2(2)	21,000	St. Joseph Lead	None	None
1	*3,000*	*American Metal Climax*	*14,700*	*4(2)*
None	*None*	*New Jersey Zinc*	*1,700*	*2(1)*
		Natural Gas		
11(1)	30,471	American Natural Gas	76,300	3(2)
4(1)	9,200	Arkansas-Louisiana Gas	2,000	1
3(2)	35,000	Colorado Interstate Gas	15,135	3(3)
3(1)	20,600	El Paso Natural Gas	15,080	2(1)
3(2)	15,700	Mississippi River Fuel	1,500	1
1	1,000	National Fuel Gas	1,600	1(1)
3(1)	26,500	Pioneer Natural Gas	20,000	1(1)
2	43,000	Republic Natural Gas	122,000	2(2)
2	31,923	Southern Natural Gas	17,900	1
1	2,000	Southern Union Gas	17,000	1
7(2)	119,300	Tennessee Gas Transmission	1,000	1(1)
2	2,000	Texas Eastern Transmission	None	None
3(1)	14,868	Texas Gas Transmission	None	None
1	800	Transcontinental Gas Pipe Line	25,000	1(1)
1	8,500	Western Natural Gas	1,000	1
1	*400*	*Lone Star Gas*	*27,300*	*3*
1	*5,000*	*Northern Natural Gas*	*25,000*	*2(1)*
1	*18,600*	*Panhandle Eastern Pipe Line*	*20,200*	*2(1)*
3(1)	*51,700*	*United Gas*	*84,000*	*4(3)*
		Office Equipment		
10(1)	8,212	IBM	4,036	6
2(2)	11,500	Moore Corp. Ltd.	None	None
2(1)	10,900	National Cash Register	8,500	2
3	2,300	Pitney-Bowes	None	None
1	*200*	*Addressograph-Multigraph*	*2,135*	*3*
1(1)	*2,600*	*Burroughs*	*107,500*	*4(2)*
		Oil		
2	4,700	Anderson-Prichard Oil	5,500	1
6(2)	44,600	Atlantic Refining	None	None
5	35,740	Cities Service	20,948	2
5	58,100	Continental Oil	10,000	1
6	18,540	Gulf Oil	12,128	3(1)
3	32,200	Honolulu Oil	24,000	2(1)

—Bought— No. of Trusts	No. of Shares		—Sold— No. of Shares	No. of Trusts
2	5,000	Hudson's Bay Oil & Gas	12,100	1
4(2)	31,400	Louisiana Land & Exploration	28,000	2
2(2)	80,000	Mission Development	13,000	1(1)
4(1)	34,000	Ohio Oil	18,500	2
7(3)	46,600	Phillips Petroleum	31,000	1
1	2,100	Richfield Oil	5,000	1(1)
9	127,300	Royal Dutch Petroleum	18,000	2
6	9,200	Shell Oil	20,000	1(1)
4	27,100	Signal Oil & Gas	2,100	2(1)
3(1)	7,500	Sinclair Oil	11,600	2
2	4,000	Skelly Oil	6,000	2(2)
4	49,900	Socony Mobil Oil	5,300	3(1)
3	21,700	Standard Oil of California	12,500	2(1)
6	62,800	Standard Oil (Indiana)	35,000	2(2)
7(1)	92,800	Sunray Mid-Continent Oil	96,000	2(1)
8	52,200	Texas Co. (now Texaco)	34,200	7(1)
1	1,380	Texas Natural Gasoline	1,500	1
2(1)	25,000	TXL Oil	None	None
2(1)	26,198	Union Oil of California	None	None
1	3,000	Union Oil & Gas of La. "A"	2,500	1(1)
3(3)	58,800	Universal Oil Products*	None	None
5(1)	*8,300*	*Amerada Petroleum*	*53,200*	*6(2)*
6	*27,660*	*Standard Oil (New Jersey)*	*146,010*	*15(2)*

*Formerly Universal Oil Processes, Inc.

—Bought— No. of Trusts	No. of Shares		—Sold— No. of Shares	No. of Trusts
		Paper and Paper Products		
2	400	Champion Paper & Fibre	11,550	1
2	19,100	Container Corp. of America	None	None
5	14,500	Fibreboard Paper Products	6,000	1(1)
1	2,900	Great Northern Paper	3,000	1
5	26,380	International Paper	950	2
1	1,510	St. Regis Paper	6,000	1
3(1)	10,200	Scott Paper	3,000	1(1)
None	*None*	*Champion Paper & Fibre rights*	*165,000*	*1(1)*
1	*400*	*Crown Zellerbach*	*27,800*	*3(1)*
1	*7,800*	*Kimberly-Clark*	*26,300*	*3(1)*
2(1)	*58,300*	*Union Bag-Camp Paper*	*44,000*	*5(3)*
1	*25,000*	*West Virginia Pulp & Paper*	*2,200*	*2*
		Public Utilities—Electric and Gas		
3	13,000	American Electric Power	10,250	1(1)
2*	33,000*	American & Foreign Power	None	None
2(1)	10,900	Arizona Public Service	None	None
2(2)	3,000	Calgary Power	None	None
1	400	Carolina Power & Light	22,200	1
1	4,000	Central Illinois Public Service	6,000	1(1)
4	19,400	Central & South West	3,000	1(1)
3(2)	10,900	Cleveland Elec. Illuminating	None	None
4(1)	5,500	Columbus & Southern Ohio Elec.	1,200	1
1	13,230	Commonwealth Edison	1,842	1

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—Bought— No. of Trusts	No. of Shares		—Sold— No. of Shares	No. of Trusts
1	2,000	Community Public Service	700	1
2	19,706	Consolidated Edison (N. Y.)	2,500	1
4	22,600	Consumers Power	4,800	1
2(1)	21,000	Detroit Edison	15,000	1(1)
1	3,500	El Paso Electric	9,200	1
2	3,600	Florida Power & Light	13,000	2
6(1)	14,450	General Public Utilities	6,767	3
2(1)	9,800	Gulf States Utilities	None	None
2	4,400	Houston Lighting & Power	None	None
3	10,206	Idaho Power	13,900	2(1)
3	40,100	Illinois Power	8,800	1
4	4,100	Kansas City Power & Light	None	None
1	20,000	Kansas Power & Light	1,000	1
2	1,250	Kentucky Utilities	None	None
2	6,100	Louisville Gas & Electric	1,800	1
2	6,500	Middle South Utilities	44,700	2(1)
1	1,400	Minneapolis Gas	4,100	1
1	2,000	Montana Power	4,600	1
2	4,000	New England Electric System	None	None
3(1)	18,200	Oklahoma Gas & Electric	None	None
1	7,000	Pacific Gas & Electric	3,400	1
2(1)	4,000	Pacific Lighting	17,000	1(1)
7(2)	44,000	Peoples Gas Light & Coke	47,000	1
3(1)	51,500	Public Service Electric & Gas	None	None
2(1)	10,000	Public Service of Indiana	24,000	2
4	9,800	Puget Sound Power & Light	None	None
5	21,580	Rochester Gas & Electric	13,500	2(2)
1	500	South Carolina Electric & Gas	4,900	1
8(1)	47,200	Southern California Edison	4,000	1
5(1)	141,500	Southern Co.	5,000	1
2	7,200	Southwestern Public Service	7,000	1(1)
3	3,300	Tampa Electric	700	1
3	4,500	Texas Utilities	6,000	1(1)
2(2)	20,000	Union Electric (Mo.)	25,000	2
3	15,840	Virginia Electric & Power	1,300	1
3	22,300	West Penn Electric	§27,200	§3
1	4,600	Wisconsin Electric Power	2,000	1
1	*2,000*	*Baltimore Gas & Electric*	*16,000*	*2(1)*
1	*300*	*Columbia Gas System*	*145,133*	*4(3)*
None	*None*	*Dayton Power & Light*	*12,500*	*2(1)*
2(1)	*50,000*	*Florida Power*	*39,700*	*3(1)*
1	*1,000*	*New York State Electric & Gas*	*23,700*	*3(2)*
1	*2,000*	*Niagara Mohawk Power*	*‡13,000*	*‡2(1)*
1	*4,000*	*Ohio Edison*	*9,700*	*2(1)*
1	*2,675*	*Public Service of Colorado*	*5,612*	*2(1)*
1	*5,000*	*San Diego Gas & Electric*	*107,400*	*2(1)*
None	*None*	*Tucson Gas, Elec. Light & Power*	*6,000*	*2*

*Not including purchase of 180,000 shares by Electric Bond and Share. §Not including sale of 12,900 shares by United Corporation. ‡Not including sale of 71,400 shares by United Corporation.

Public Utilities—Telephone and Telegraph

2(2)	18,500	British Columbia Telephone	None	None
6(2)	35,700	Gen. Telephone (& Electronics)	11,500	1
1	7,500	Western Union	5,000	1(1)
4(1)	*18,100*	*American Tel. & Tel.*	*57,817*	*8(2)*

Radio, Television and Motion Pictures

5(1)	50,600	American Broadcast.-Paramount	1,000	1
2(1)	18,800	Metropolitan Broadcasting	16,000	1(1)
4(1)	7,000	Motorola	12,500	2(1)
1	1,500	Paramount Pictures	500	1
1	1,000	Twentieth Century-Fox	4,000	1
4	*22,294*	*Columbia Broadcasting*	*49,500*	*6*
None	*None*	*Warner Bros. Pictures*	*12,300*	*2(2)*
None	*None*	*Zenith Radio*	*6,900*	*4*

—Bought— No. of Trusts	No. of Shares		—Sold— No. of Shares	No. of Trusts
		Railroads		
4	60,000	Atchison, Topeka & Santa Fe	38,000	3(2)
2(1)	17,400	Atlantic Coast Line	None	None
4	21,000	Chesapeake & Ohio	500	1
3	2,700	Great Northern	2,200	2(1)
3(1)	39,700	Illinois Central	22,700	2(1)
1	2,000	Kansas City Southern	14,500	1(1)
3(1)	45,700	N. Y., Chicago & St. Louis	9,000	2
3(1)	9,500	Norfolk & Western	None	None
3	26,400	Seaboard Air Line	11,200	2(1)
7(2)	57,100	Southern Pacific	1,600	2(1)
5	29,500	Southern Railway	72,600	3
2	3,000	Union Pacific	4,000	2
1(1)	10,000	Virginian Railway	7,000	1(1)
None	*None*	*Baltimore & Ohio*	*7,000*	*2(1)*
1	*500*	*Denver & Rio Grande Western*	*6,000*	*2(1)*
		Railroad Equipment		
2	8,000	ACF Industries	35,000	1
3	8,500	American Brake Shoe	None	None
2	3,966	General American Transport	None	None
3	5,000	General Railway Signal	None	None
2(1)	19,100	Pullman	None	None
None	*None*	*Westinghouse Air Brake*	*14,000*	*2(2)*
		Retail Trade		
1	1,700	American Stores	2,000	1(1)
2	11,000	Gimbel Bros.	None	None
2	5,500	Grand Union	20,000	1(1)
4(3)	186,500	Great A. & P.	3,000	1(1)
4(2)	42,000	Green (H. L.)	31,000	1(1)
1	8,000	Kress (S. H.)	6,600	1
2	2,000	Loblaw Cos. "B"	None	None
2(1)	10,000	Macy (R. H.)	None	None
1	1,000	May Department Stores	1,100	1
6(3)	33,900	Montgomery Ward	400	2
3(1)	11,500	Penney (J. C.)	10,300	2(2)
6(1)	91,800	Sears, Roebuck	None	None
4(1)	18,600	Spiegel	None	None
2(1)	17,100	Winn-Dixie Stores	33,400	1(1)
3(1)	9,800	Woolworth (F. W.)	None	None
None	*None*	*ACF-Wrigley Stores*	*19,400*	*2*
1	*3,000*	*Federated Department Stores*	*20,900*	*4(2)*
None	*None*	*First National Stores*	*15,600*	*2(1)*
None	*None*	*Kroger*	*62,700*	*3(2)*
None	*None*	*Simpsons Ltd.*	*16,600*	*2(1)*
		Rubber and Tires		
1(1)	2,000	Armstrong Rubber "A"	14,100	1
2	2,800	Firestone Tire & Rubber	5,700	2
2(1)	7,400	General Tire & Rubber	3,000	1
6(1)	19,300	Goodrich (B. F.)	20,600	4
5(2)	29,558	U. S. Rubber	None	None
3	*13,760*	*Goodyear Tire & Rubber*	*13,908*	*4*
		Steel and Iron		
7	36,700	Armco Steel	39,000	4
2	4,300	Carpenter Steel	6,400	1(1)
3(1)	23,100	Granite City Steel	None	None
1	2,000	Hanna (M. A.) "A"	1,100	1
2	2,800	Inland Steel	1,000	1
1(1)	10,600	Interlake Iron	1,000	1
6(2)	90,800	Jones & Laughlin Steel	2,000	1
2(1)	23,500	McLouth Steel	None	None
4(2)	34,500	National Steel	19,000	2
7(1)	37,800	Republic Steel	13,300	1
7(1)	35,200	U. S. Steel	28,400	4
3	13,700	Youngstown Sheet & Tube	None	None
1	*200*	*Allegheny Ludlum Steel*	*42,400*	*5(3)*
2(1)	*16,500*	*Bethlehem Steel*	*110,000*	*4(1)*
		Textile		
6(1)	48,600	American Viscose	None	None
2(1)	6,500	Celanese	3,500	1
2(2)	18,700	Rayonier	55,500	1
3(1)	11,000	Stevens (J. P.)	19,600	2(1)

—Bought—			—Sold—	
No. of Trusts	No. of Shares		No. of Shares	No. of Trusts
		Tobacco		
4(2)	25,900	American Tobacco	4,500	2(1)
3(1)	24,000	Liggett & Myers Tobacco	4,700	3(2)
7(3)	54,300	Lorillard (P.)	5,000	1(1)
3(1)	16,700	Philip Morris	None	None
2(1)	16,300	Reynolds Tobacco	None	None
		Miscellaneous		
2(1)	37,500	Air Products	13,600	2
3	12,100	American Bosch Arma	3,000	1
4(1)	53,600	American Machine & Foundry	None	None
3(2)	12,300	American Photocopy Equipment	None	None
3(2)	9,800	Brunswick-Balke-Collender	2,666	1
3	7,804	Eastern Industries	7,325	2(1)
3	5,500	Fansteel Metallurgical	4,270	1
3(3)	4,500	FXR, Inc.	None	None
1(1)	10,000	Giannini (G. M.)	2,000	1
1	1,000	Glidden	900	1
2	788	Grace (W. R.)	12,200	1(1)
6(1)	63,925	Halliburton Oil Well Cementing	28,500	3(1)
1	1,000	Haloid Xerox	2,000	1
2(2)	33,500	MacMillan & Bloedel "B"	None	None
1	7,500	McGraw-Hill Publishing	400	1
2	1,500	McKesson & Robbins	7,000	2(1)
1	5,200	Metals & Controls	12,500	1
4	12,200	Newmont Mining	6,200	1(1)
2	7,800	Newport News Shipbuilding	None	None
5	67,000	Outboard Marine	35,000	2(1)
2	1,867	Polaroid	1,000	1
1	300	Procter & Gamble	11,000	1
2	41,500	Remington Arms	None	None
2(1)	21,000	Revlon	None	None
2(2)	22,000	Ryder System	None	None
2	1,450	Signode Steel Strapping	None	None
1	3,000	Stone & Webster	9,000	1(1)
1	1,250	Thiokol Chemical	3,000	1
3(2)	21,700	Unilever N.V. (50-guilder shs. or equivalent)	None	None
2(2)	*4,000*	*American Express*	*16,600*	*4(2)*
None	*None*	*Colgate-Palmoline*	*11,000*	*2(1)*
None	*None*	*Filtrol*	*47,000*	*3(3)*
1	*2,000*	*Genesco (formerly Gen'l Shoe)*	*30,200*	*2(1)*
1	*20,000*	*Gillette*	*102,800*	*2(1)*
1	*2,000*	*Harbison-Walker Refractories*	*3,300*	*2(1)*
1	*34,500*	*Hertz*	*28,000*	*2(1)*
None	*None*	*Interprovincial Pipe Line*	*39,780*	*2(1)*
1	*5,000*	*Johnson & Johnson*	*20,000*	*2*
None	*None*	*Lees (James)*	*9,400*	*3*
None	*None*	*Ronson*	*41,500*	*2(2)*

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Some Sail-Trimming by the Funds

shares by the United Funds Group; but was closed-out by Knickerbocker. Gimbel and Macy each were bought by two managements, with none selling. On the other hand, First National Stores, Kroger and Simpsons were moderately sold, without any buying. Principal seller of both Kroger and First National was One William. Scandal-ridden H. L. Green was sold by only one management, with four buyers during the quarter.

Rubbers Resilient

Best liked in the rubber and tire group was U. S. Rubber, while the good buying of Goodrich was about offset by selling.

Steels Bought

Steels were generally bought, with two exceptions, namely, Allegheny Ludlum and Bethlehem. Of the former, Lazard was the seller of a 15,000-share closeout. In the latter, Wellington dwarfed all other sellers, with a closeout of 85,000 shares. One of the two buyers of the issue was Lehman with a new acquisition of 8,000 shares. Best liked steels were Republic, U. S. Steel, Armco, and Jones & Laughlin.

Textiles Moderately Bought

The cyclically recovering textile sector again attracted some buying to a moderate degree. American Viscose was bought by six funds, including Selected American, Affiliated, Investment Co. of America, and Axe "A." There were no sellers. In erratic Rayonier there was as usual, a large turnover. Its two first-time buyers included Madison Fund and Bullock. A 55,500-share sale was made by Wellington.

Tobaccos Continue Popular

The chronically vulnerable tobaccos enjoyed some fairly substantial buying during the quarter, led once more by Kent-producing Lorillard, of which Incorporated Investors bought 23,000 shares, and Investment Co. of America. State Street and Madison were first-time buyers. Philip Morris and Reynolds attracted some buying unaccompanied by any selling.

Miscellaneous Favorites

Miscellaneous well liked issues were: Halliburton Oil Well Cementing bought by Affiliated, Wellington, etc.; American Machine & Foundry, bought by the Tri and United Funds groups; Outboard Marine, bought by Affiliated, One William, and Fundamental; and Newmont Mining (a large holder of Continental Oil).

SELLING HITS THE FINANCE COMPANIES

Apparently still sensitive to the news of Ford's contemplated reentry into the financing of its cars, and reacting to uncertainties arising from developments in the Justice Department and in Congress, the leading finance companies were hit by substantial selling. Commercial Credit was a target of the sellers, with liquidation by One William, Investment Trust of Boston, and Delaware. C.I.T. Financial was sold by seven managements, with three buying. The sellers included Wellington, Dividend Shares, National Securities, Delaware, M.I.T. (40,000), Diversified Investment Fund and its sister Fundamental Investors, and Loomis-Sayles.

GROUPS MEETING MIXED REACTION

Aircrafts Divergent

North American Aviation continued as the most popular aircraft, its buyers including Putnam, Eaton & Howard Stock, Fidelity, and others. Once more Martin was the runner-up, its buyers including Fidelity, Investment Co. of America, Madison, Dreyfus and others. Also in fairly good demand was General Dynamics, with Value Line the largest single buyer. Sold were Boeing, reversing its popularity of the preceding quarter, with a 110,000-share sale by M.I.T.; Douglas, United Aircraft, and Aerojet-General.

Airlines Mixed

Buying here was quite light, with selling coming rather heavily in Pan American and Braniff. Opinion was divided about American Airlines, the six buyers being led by One William, and the sellers by Concord Fund. A substantial proportion of the airlines' selling originated from National Aviation Corp., which significantly reduced six out of its nine holdings of airline equities.

Banks Irregular

The bank stocks, highly regarded as "value items" in many quarters, were for the most part neglected by the fund managers. First National City was picked up by three funds, to the tune of 87,000 shares, of which 80,000 comprised a new commitment by Affiliated Fund. Guaranty found only sellers, including Tri, Value Line Income, and Group Securities Common. Affiliated also bought 50,000 shares of Hanover. In merging Morgan there was

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NY State Council on Investments Named

ALBANY, N. Y.—State Comptroller Arthur Levitt has announced the formation of an Advisory Council on Investments for the New York State Employees' Retirement System.

The purpose of the Council will be to review the investment practices and policies pursued by the Retirement System and to advise the Comptroller on future programs.

Members will serve without compensation and will meet with the Comptroller on a periodic basis to analyze the System's investment portfolio in the light of current market conditions and long-range forecasts and to consult with the Comptroller on related matters.

The Council will be under the Chairmanship of Sidney J. Weinberg, Senior Partner of Goldman, Sachs & Co.

The other members are:

Richard K. Paynter, Jr., Executive Vice-President, New York Life Insurance Company; Charles D. Dickey, Morgan Guaranty Trust Company; Richard L. Maloney, President, New York Savings Bank; Richard S. Perkins, Vice-Chairman, The First National City Bank of New York.

R. G. Bender, V.-P. Of Arthur & Co.

PITTSBURGH, Pa. — Ray G. Bender, formerly Assistant Vice-President, of Investors Planning Corporation, has become associated with Arthur & Company, Inc., Oliver Building, as Vice-President and General Manager.

Mr. Bender has been in the securities and allied fields since 1942.

Smith, Appointed by Nat'l Secs. & Research

CHICAGO, Ill. — The appointment of Philip C. Smith as Manager of Wholesale Distribution for the National Securities Series of mutual investment funds in the State of Illinois has been announced today by Henry J. Simonson, Jr., President of National Securities & Research Corporation.

Philip C. Smith

A Vice-President of the Corporation, Mr. Smith was previously Wholesale Representative in the Metropolitan New York area. He joined National in 1953 as Manager of the Profit Sharing, Institutional and Trust Division. Prior to becoming associated with the investment company he was with the law firm of Satterlee, Warfield & Stephens.

Mr. Smith will make his headquarters at the Chicago office of National Securities & Research Corporation at 208 South La Salle Street.

May Adds to Staff

(Special to The Financial Chronicle)

PORTLAND, Ore.—Thomas R. Hillstrom is now with May & Co., 618 Southwest Yamhill Street. He was formerly with Zilka, Smither & Co.

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Some Sail-Trimming by the Funds

only one transaction, a 2,187 purchase by Lehman.

Beverages Mixed

Pepsi-Cola was bought by two funds, Investment Co. of America and United Income Fund; while its competitor Coca-Cola was confined to liquidation — by M.I.T., Madison Investment Co. of America and Fidelity.

Building Irregular

Best liked in this group was General Portland Cement, followed by Johns-Manville. On the other hand, there was only selling and no buying of Carrier Corp., Lehigh Portland Cement, U. S. Gypsum, and U. S. Plywood.

Cross-Current in Containers

Sharply divergent treatment was accorded to Continental Can and American Can. The former was bought by the United Funds Group, Lazard and others. American, on the other hand, found only sellers, especially by Madison, United Income, Niagara Share and Fidelity.

Drugs Meet Profit-Taking

As in the preceding quarter, the drug issues encountered some cashing-in of capital gains. Again Parke, Davis was the most heavily sold issue, especially by Bullock Group (75,500 close-out), Affiliated (59,500) and Investment Co. of America (24,000). There was also considerable selling of Bristol-Myers, Mead Johnson, Pfizer and Warner-Lambert. On the other hand, Schering, Merck and Eli Lilly led the well-bought issues.

Foods Varied

Star performer was Swift, bought by Affiliated, Dreyfus and the Scudder Group—with no sellers. Borden soured, with Knickerbocker and Investment Co. of America selling.

Two-Sided Transactions in Office Equipment

In this electronics-tinged, high-flying group IBM continued as the favorite, with Fidelity the largest single buyer (3,395), and Electric Bond and Share the only first-time purchaser (1,500). On the other hand, as many as six managements sold IBM, including Investment Co. of America (1,588), and de Vegh Mutual (1,024). Heavy selling hit Burroughs, establishing a complete reversal of its former favorite role. Most of its selling was accounted for by Investors Mutual (60,200) and Wellington (36,000).

Papers Divergent

International Paper continued well liked, joined therein by Fibreboard Paper Products. On the other hand, selling came into Union Bag, Crown Zellerbach and Kimberly-Clark. Significantly, M.I.T. sold its entire block of 165,000 rights of Champion.

Radio-TV Varied

Consistent with its improving industry position, American Broadcasting-Paramount was liberally bought; the purchasers including Fidelity (30,000) and Shareholders' Trust (15,000 newly). Largest seller of CBS was Wellington (35,200), with buying of this issue coming from the Bullock Group.

Miscellaneous Issues in Disfavor

American Express met liquidation by State Street, Shareholders' Trust, Investors Mutual and Pioneer; offsetting new acquisitions by Overseas Securities and Wisconsin Fund.

Colgate-Palmolive was sold by Investment Co. of America and Dreyfus, with no buyers.

In Gillette, there was liquidation of 100,000 shares by Incorporated Investors, overshadowing a 20,000-share purchase by Fundamental.

Selling, without any offsetting buying, of Interprovincial Pipe Line, came from Niagara Share and State Street.

Largest seller of Johnson & Johnson was Chemical Fund (13,000 shares).

Of its holdings of Tri-Continental stock, Dreyfus sold its 6,000 shares while keeping its 16,700 warrants.

EDITOR'S NOTE: The table on the facing page shows the comparative cash and investment position of 83 Investment Companies at end of quarterly periods, December, 1958 and March, 1959.

Chicago Analysts to Hear

CHICAGO, Ill.—Walter J. Bergman, Chairman and President of Lily-Tulip Cup Corporation, will address the luncheon meeting of the Investment Analysts Society of Chicago to be held Thursday, May 7th, in the Adams Room of the Midland Hotel.

Berry, Douglas & Fitzhugh

NASHVILLE, Tenn. — Berry, Douglas & Fitzhugh, Inc. has been formed with offices in the Stahlman Building to engage in a securities business. Officers are N. James Douglas, President; Irvin Berry, Vice-President and Secretary; and William O. Fitzhugh, Vice-President and Treasurer.

Railroad Securities

Erie-Lackawanna Merger

Managements of both the Erie Railroad and the Delaware, Lackawanna & Western Railroad moved rapidly in reaching an agreement on merger terms. The announcement of the consolidation proposal was made just two weeks after the Delaware & Hudson Railroad withdrew from negotiations which had been underway since late 1956. It is believed the main reason D & H dropped out was the fact that since the time talks originally began, stocks and earnings of the Erie and Lackawanna declined considerably whereas stock of D & H and its earnings showed a degree of stability.

Present plans call for the merger of the Lackawanna into the corporate structure of the Erie which has its headquarters in Cleveland, Ohio. Under the terms of the plan as approved by directors of both roads, Erie's common stockholders would receive one and a quarter shares in the unified road for each share held. Lackawanna stockholders would receive a new share for each share held. Erie's present preferred stock would become the preferred stock of the new road. Erie has 2,450,000 common shares and 125,100 preferred shares outstanding, while Lackawanna has 1,638,624 common shares and no preferred stock. Consequently, Erie stockholders would own the largest percentage of stock in the new railroad.

Officials of both roads stated that still to be negotiated are changes and amendments to certain mortgages and indentures of the two roads. Erie has seven bond issues outstanding and Lackawanna fifteen.

One fact which speeded up the present action was that some $275,000 had been spent to prepare operating data for previous discussions and this was used for their talks. With the groundwork thus prepared, the two carriers could move swiftly. Officials stated that it was hoped a plan could be submitted to security holders and the Interstate Commerce Commission by this Fall. It also was stated that if this approval was received, the merger could be consummated by July, 1960.

Merger of the two roads would create a 3,119-mile system with assets of $737,000,000. It would serve the industrial East and run from Jersey City, N. J., to Chicago, Ill. It also would serve Scranton, Pa., Binghamton and Buffalo, N. Y., and Youngstown, Cleveland and Akron, Ohio. The new road would rank among the first 15 of the country's railroads in terms of operating revenues.

"This will be the first major railroad merger in the Northeast in recent years to consolidate parallel lines and will be in keeping with recommendations expressed by Congress that such projects should be undertaken," the presidents of both railroads stated in a joint statement. "We firmly believe a rail combination as proposed will strengthen both properties and will have very definite advantages to the present security holders and to the shippers and travelers who use our lines." (This would be the first major railroad merger in the Northeast since the joining of the Chesapeake & Ohio and Pere Marquette in 1947.)

Officials also stated that they believed savings through the merger would be substantial. "Most of the savings," the joint statement said, "would come from elimination of duplicate facilities and overhead costs, plus greater efficiency and improved service to the communities on both lines." The two roads now operate jointly a passenger station at Hoboken, N. J., and starting in September, Lackawanna trains will use some 80 miles of Erie line between Binghamton and Corning, N. Y.

Both the Erie and the Lackawanna have relatively high fixed charges and also suffer from large passenger deficits, mainly from commutation traffic. For 1958 Erie reported a deficit of $3,668,879 and the Lackawanna reported a deficit of $3,934,319. For the first quarter of this year, Erie reported a loss of $944,623 and Lackawanna a loss of $1,860,231 for the same period.

It might be noted that approval of two-thirds of the stockholders and certain bondholders of each road, in addition to ICC approval, is necessary before the consolidation can be effectuated.

Morgan Stanley Group Offers Alabama Power First Mortgage Bonds

Morgan Stanley & Co. and associated underwriters on May 1 offered publicly an issue of $20,000,000 Alabama Power Co. first mortgage bonds, 4⅞% series due 1989, at 100.393% to yield 4.85%. The group was awarded the issue at competitive sale April 30 on a bid of 99.519%.

Net proceeds from the sale of the new first mortgage bonds will be applied by Alabama Power to the construction or acquisition of permanent improvements, extensions and additions to its utility plant. Such costs in 1959 are expected to total about $56,726,000.

The company raised an additional $16,500,000 earlier this year through the sale of common stock to the Southern Company, parent company. Of the proceeds of this sale $7,500,000 will be used for the construction program and the remaining $9,000,000 will be invested in capital stock of Southern Electric Generating Co.

The new bonds are redeemable at regular redemption prices ranging from 105.268% for those redeemed prior to May 1, 1960 to 100% for those redeemed on or after May 1, 1988; and at special redemption prices ranging from 100.393% for those redeemed prior to May 1, 1960, to 100% for those redeemed on or after May 1, 1988.

Alabama Power supplies electric power retail in 625 Alabama communities, including Birmingham, Mobile and Montgomery, as well as in rural areas; and at wholesale to 11 municipalities and to 12 rural distributing cooperative associations.

Operating revenues of the company in 1958 amounted to $106,434,000 and income before interest and other income deductions to $25,637,000, compared with $98,939,000 and $23,616,000 in 1957.

de Charriere Appointed

Emanuel, Deetjen & Co., 120 Broadway, New York City, members of the New York Stock Exchange, have named Jean Francois de Charriere co-manager of the firm's foreign department.

Form Insured Secs.

(Special to The Financial Chronicle)

CHICAGO, Ill.—Insured Securities Inc. has been formed with offices at 33 North La Salle Street to engage in a securities business. Officers are Hyman Levinson, President and Treasurer; Mauriel Levinson, Vice-President and Secretary; and Benjamin D. Stein, Assistant Secretary.

Balance Between Cash and Investments of 85 Investment Companies End of Quarterly Periods December, 1958 and March, 1959

Security Transactions by the 85 Investment Companies During January-March, 1959

(In Thousands of Dollars)

	Net Cash & Governments† Thousands of Dollars —End of— Dec.	Mar.	Net Cash & Governments† Percent of Net Assets —End of— Dec.	Mar.	Investment Bonds and Preferred Stocks* Percent of Net Assets —End of— Dec.	Mar.	Com. Stocks and Lower Grade Bonds & Pfds. Percent of Net Assets —End of— Dec.	Mar.	Portfolio Securities Other than Governments Total Purchases††	Total Sales**	Of this: Portfolio Common Stocks Total Purchases††	Total Sales**
Open-End Balanced Funds:												
American Business Shares	3,265	3,257	11.8	11.9	31.9	31.6	56.3	56.5	None	824	None	776
Axe-Houghton Fund A	2,783	2,185	5.7	4.3	35.7	36.4	58.6	59.3	1,941	1,676	1,780	1,676
Axe-Houghton Fund B	3,737	3,465	3.4	2.9	23.9	25.2	72.7	71.9	8,366	2,646	5,330	2,123
Axe-Houghton Stock Fund	15	----	§0.2	----	§25.3	§22.5	§74.5	§77.5	229	646	213	646
Axe Science & Electronics	76	1,455	0.8	13.0	23.4	19.9	75.8	67.1	740	1,560	740	1,502
Boston Fund	4,480	5,528	2.3	2.7	¶31.8	¶32.6	‡65.9	‡64.7	7,825	6,636	6,551	6,508
Broad Street Investing	2,400	4,258	1.7	2.9	11.7	11.0	86.6	86.1	4,095	708	4,095	13
Commonwealth Investment	11,029	9,220	7.6	6.2	21.5	23.6	70.9	70.2	6,289	3,015	2,634	2,613
Diversified Investment Fund	1,482	750	1.6	0.8	31.9	28.2	66.5	71.0	7,121	5,939	5,518	1,833
Dodge & Cox Fund	68	362	4.4	5.3	24.7	24.7	70.9	70.0	0.5	None	0.5	None
Eaton & Howard Balanced Fund	22,955	25,278	11.5	12.5	22.6	22.4	65.9	65.1	2,972	5,289	1,774	2,477
General Investors Trust	874	1,090	14.0	15.8	27.8	25.3	58.2	58.9	1,301	539	412	168
Group Securities—Fully Admin. Fund	476	652	4.6	6.0	18.4	17.7	77.0	76.3	904	965	904	965
Institutional Foundation Fund	988	1,132	5.3	5.3	9.8	9.8	84.9	84.9	3,645	1,709	2,596	1,419
Investors Mutual	8,037	15,495	0.6	1.1	¶33.3	¶33.3	‡66.1	‡65.6	50,792	29,524	29,254	22,563
Johnston Mutual Fund	370	396	4.7	4.3	22.2	16.9	73.1	78.8	1,374	854	1,040	8
Knickerbocker Fund	2,348	1,336	16.5	9.3	8.9	8.1	74.6	82.6	1,425	1,596	1,425	1,596
Loomis-Sayles Mutual Fund	15,985	18,714	22.3	25.6	19.0	16.0	58.7	58.4	6,730	8,456	5,695	5,852
Massachusetts Life Fund	3,265	2,758	6.7	5.3	25.5	28.0	67.8	66.7	3,707	742	1,567	514
Mutual Investment Fund	2,110	1,389	8.7	5.3	23.9	23.0	67.4	71.7	2,234	428	2,029	349
National Securities—Income	1,088	3,457	1.6	4.6	9.8	7.2	88.6	88.2	854	1,453	274	954
Nation-Wide Securities	3,652	2,639	11.5	8.0	34.0	33.5	54.5	58.5	3,436	1,624	2,001	529
New England Fund	2,234	2,793	14.3	18.2	18.9	16.8	66.8	65.0	642	1,390	642	1,000
Putnam (George) Fund	9,361	8,692	5.2	4.7	25.6	24.0	69.2	71.3	13,898	9,545	7,469	2,442
Scudder, Stevens & Clark Fund	1,538	2,893	1.9	3.6	29.9	29.1	68.2	67.3	3,333	3,644	2,185	2,648
Shareholders' Trust of Boston	653	926	2.4	3.0	30.4	28.4	67.2	68.6	3,245	856	2,487	590
Stein Roe & Farnham Balanced Fund	4,998	6,014	14.7	16.4	19.7	21.1	65.6	62.5	2,625	1,920	1,235	1,591
Value Line Fund	53	110	0.6	1.1	1.7	2.3	97.7	96.6	1,095	1,720	1,095	1,720
Value Line Income Fund	7,263	1,996	8.2	2.3	4.4	9.4	87.4	88.3	13,014	18,925	5,866	18,925
Wellington Fund	74,178	101,964	8.7	11.4	23.2	24.3	68.1	64.3	49,413	45,489	27,146	40,723
Whitehall Fund	251	373	2.4	3.4	40.3	41.7	57.3	54.9	691	315	149	212
Sub-Total Open-End Bal. Funds	192,012	230,577	6.5	7.2	23.2	22.4	70.3	70.6	203,936	160,635	124,108	124,942
Open-End Stock Funds:												
Aberdeen Fund	486	360	3.7	2.6	None	None	96.3	97.4	691	295	691	295
Affiliated Fund	57,926	56,231	11.3	10.4	0.4	0.4	88.3	89.2	a32,995	a19,371	32,995	19,371
Blue Ridge Mutual Fund	3,236	1,954	10.0	6.0	0.7	0.7	89.3	93.3	1,990	1,387	1,682	891
Bullock Fund	10,936	10,976	23.3	21.7	None	None	76.7	78.3	4,240	2,174	3,638	2,174
Chemical Fund	2,789	2,970	1.4	1.4	2.1	1.4	96.5	97.2	18,125	9,096	‡‡17,837	‡‡7,736
Delaware Fund	576	3,835	0.8	5.0	5.8	4.7	93.4	90.3	8,815	9,585	7,306	8,622
de Vegh Mutual Fund	13	542	0.1	2.8	None	None	99.9	97.2	3,460	3,937	3,460	3,937
Dividend Shares	44,306	41,695	16.6	15.5	None	None	83.4	84.5	9,113	6,039	9,113	6,039
Dreyfus Fund	986	770	2.7	1.6	None	None	97.3	98.4	12,156	3,308	12,156	3,308
Eaton & Howard Stock Fund	24,283	24,818	18.0	17.15	None	None	82.0	82.85	12,990	8,168	7,573	668
Energy Fund	48	48	0.8	0.6	None	None	99.2	99.4	1,765	956	1,765	956
Fidelity Fund	5,184	4,819	1.4	1.3	2.4	2.3	96.2	96.4	25,296	21,346	25,073	21,346
Fundamental Investors	7,517	4,522	1.4	0.8	1.1	0.1	98.5	99.1	16,995	8,518	16,967	8,518
General Capital Corp.	111	102	0.6	0.5	None	None	99.4	99.5	903	447	903	447
Group Securities—Com. Stock Fund	662	1,540	1.2	2.5	None	None	98.8	97.5	9,446	6,765	9,446	6,765
Incorporated Investors	17,026	18,695	5.5	6.1	0.9	0.9	93.6	93.0	16,127	21,269	15,857	21,269
Institutional Investors Mutual Fund§§	2,858	2,592	6.6	5.7	None	None	93.4	94.3	1,603	None	1,603	None
Investment Co. of America	19,852	17,358	14.5	12.4	0.9	0.6	84.6	87.0	26,796	25,201	26,469	24,900
Investment Trust of Boston	----	----	----	----	§6.8	§6.1	§93.2	§93.7	3,443	2,658	3,036	2,658
Lazard Fund	17,254	18,098	12.8	13.0	None	None	87.2	87.0	N.A.	N.A.	N.A.	N.A.
Massachusetts Investors Trust	16,287	20,276	1.1	1.4	None	None	98.9	98.6	a27,756	a13,949	27,756	13,949
Massachusetts Investors Growth Stock	7,406	5,668	3.2	2.3	None	None	96.8	97.7	18,723	3,369	18,723	3,369
Missiles—Jets & Automation	448	472	15.4	12.3	c31.1	c20.4	53.5	67.3	564	None	525	None
National Investors	2,225	1,156	2.4	1.1	0.7	0.8	96.9	98.1	5,406	379	5,406	379
National Securities—Stock	2,107	9,336	1.3	5.1	None	None	98.7	94.9	2,775	2,218	2,775	2,218
One William Street	45,476	23,167	16.4	8.2	0.9	0.7	82.7	91.1	41,092	16,634	‡‡40,472	‡‡16,284
Pine Street Fund	869	930	5.0	5.2	11.6	11.4	83.4	83.4	951	671	945	638
Price (T. Rowe) Growth Stock	3,640	4,049	21.6	20.9	4.5	2.9	73.9	76.2	2,221	723	2,111	723
Scudder, Stevens & Clark—Com. Stk.	586	766	2.3	2.7	None	None	97.7	97.3	2,771	2,420	2,622	2,420
Selected American Shares	3,820	3,176	4.2	3.4	0.4	0.4	95.4	96.2	a9,364	7,667	9,364	7,667
Sovereign Investors	36	6	1.3	0.2	4.3	3.8	94.4	96.0	293	130	290	118
State Street Investment	13,867	13,322	7.0	6.6	1.1	1.2	91.9	92.2	7,991	7,657	‡‡7,623	7,657
Stein Roe & Farnham Stock Fund	358	411	5.9	5.3	None	None	94.1	94.7	1,445	93	1,445	93
Texas Fund	1,650	1,476	4.3	3.8	0.2	0.6	95.5	95.6	1,503	948	1,421	805
United Accumulative Fund	7,610	8,862	3.1	3.3	11.6	10.4	85.3	86.3	25,865	11,194	24,890	9,377
United Continental Fund	1,261	1,139	3.3	2.8	2.5	1.2	94.2	96.0	5,887	4,162	5,638	3,430
United Income Fund	4,394	6,411	2.1	2.9	4.3	3.8	93.6	93.3	15,271	9,029	15,181	7,206
United Science Fund	5,686	3,094	7.7	3.6	0.4	0.4	91.9	96.0	13,574	4,604	13,456	4,542
Value Line Special Situations	179	----	2.0	----	None	None	98.0	§100.0	1,184	1,027	1,003	1,003
Wall Street Investing	1,241	1,128	14.2	12.6	None	None	85.8	87.4	198	‡‡100	198	‡‡100
Wisconsin Fund	463	219	3.2	1.5	4.3	4.4	92.5	94.1	849	641	849	641
Sub-Total Open-End Stock Funds	334,996	316,989	e5.8	5.7	e1.8	1.9	e92.4	92.4	392,632	238,135	380,263	222,519
Total Open-End Funds	527,008	547,566	e6.1	6.3	e11.7	10.8	e82.3	83.0	596,568	398,770	504,371	347,461
Closed-End Companies:												
Adams Express	5,074	4,737	5.2	4.8	0.6	0.7	94.2	94.5	1,397	993	1,205	993
American European Securities	1,051	2,082	5.6	10.9	16.2	3.4	78.2	85.7	1,953	2,849	1,664	201
American International	1,960	1,774	4.8	4.3	1.0	1.2	94.2	94.5	872	655	745	655
Carriers & General	1,435	1,474	7.6	7.6	7.9	8.0	84.5	84.4	806	759	806	759
Dominick Fund (Formerly Nat'l Shs.)	f 2,941	2,531	f8.2	6.9	5.8	3.3	86.0	89.8	3,494	2,399	3,429	1,455
General American Investors	3,509	4,097	5.1	5.8	1.6	1.5	93.3	92.7	177	792	177	792
General Public Service	f9,190	6,873	f20.5	15.0	0.1	0.7	79.4	84.3	4,260	1,706	‡‡4,005	1,706
Lehman Corp.	5,142	14,821	1.9	4.9	0.4	0.4	97.7	94.7	20,004	10,707	‡‡19,904	‡‡10,557
Madison Fund¶¶	f4,366	6,205	f3.2	4.4	6.2	3.0	90.6	92.6	19,468	24,412	10,476	11,590
Niagara Share	3,428	2,816	6.0	4.8	2.4	2.4	91.6	92.8	2,070	2,476	2,070	2,476
Overseas Securities	----	----	----	----	§8.8	§8.4	§73.5	§69.2	1,185	1,361	‡‡1,097	‡‡1,354
Tri-Continental	3,487	8,178	0.9	2.0	9.9	9.7	89.2	88.3	7,927	11,368	6,883	7,326
U. S. & Foreign Securities	16,126	19,365	13.1	16.0	None	None	86.9	84.0	None	4,044	None	4,044
Total Closed-End Companies	57,709	74,953	6.3	6.7	4.7	3.3	87.6	88.3	63,613	64,521	52,461	43,908
Grand Total	584,717	622,519	e6.2	6.5	e10.6	9.6	e83.2	83.9	660,181	463,291	556,832	391,369

†Including corporate short-term notes where so included by reporting investment company. *Investment bonds and preferred stocks: Moody's Aaa through Ba for bonds; Fitch's AAA through BB for preferreds (or approximate equivalents). ¶Bonds and preferreds irrespective of quality classification. ‡Common stocks only. §In percent of gross assets. ††Cost of purchases. **Proceeds from sales. ‡‡Estimated. §§Owned by 83 savings banks, etc. in New York State. ¶¶Formerly Pennroad Corporation. a Exclusive of corporate short-term notes. c All Convertible (or with warrants). e New Funds in build-up stage (Lazard, Missiles-Jets, and One William Street) not included. f Bolstered temporarily by rights proceeds.

SUMMARY

CHANGES IN CASH POSITION OF 85 INVESTMENT COMPANIES MARCH 31, 1959 vs. DECEMBER 31, 1958

	Plus	Minus	Approx. Unchanged	Total
OPEN-END COMPANIES: Balanced Funds	17	11	3	31
Stock Funds	8	24	9	41
CLOSED-END COMPANIES	6	5	2	13
Totals	31	40	14	85

AVERAGE ALLOCATION BY 85 COMPANIES OF ASSETS TO CASH AND EQUIVALENT, DEFENSIVE SECURITIES, AND RISK SECURITIES

	Dec. 31, 1958	March 31, 1959
Net cash, etc., and Governments	6.2%	6.5%
Defensive securities (investment bonds and preferreds)	10.6	9.6
Risk securities (common stocks plus lower grade bonds and preferreds)	83.2	83.9
Totals	100.0%	100.0%

Continued from page 4

The Investing Picture Today Is Not All Unalloyed Brightness

any company that fails, by the end of 1961, to embark on a regular program of proxy solicitation will be considered for delisting. There were only 28 such companies last year out of 1,100.

Historical changes, for the most part, occur very subtly. Therefore, it may come as something of a surprise that today's interest in shareownership stems from techniques that were either born or developed more fully within the last six or seven years. Employee stock purchase plans and the shares of investment companies, for example, have jumped to greater prominence. Some 15,000 investment clubs have sprung up. Nationwide legislation making it easy to give stock gifts to youngsters have been enacted in 45 states. Incidentally, Colorado was the second state to adopt this progressive legislation. The Exchange's Monthly Investment Plan has dramatized the idea that people of modest means can invest relatively small amounts on a regular pay-as-you-go basis.

What has happened, in short, is that direct ownership, with all its benefits and uncertainties, has been taken out of the drawing rooms of the few, and brought back to the millions who were willing to share its responsibilities. In the process, the United States has demonstrated two things: One is that it is private enterprise which unquestionably creates the most wealth with the greatest efficiency. The other is that the Russian argument about a class struggle is utter nonsense. A noted economist, Frederic Dewhurst, pointed out several years ago that, "of all the great nations, the one that clings most tenaciously to private capitalism has come closest to the Socialist goal of providing abundance for all in a classless society."

Announces New Shareholders' Census

What actually has happened to our shareowning family?

We know that between 1952 and 1956 the number of individual shareowners grew by one-third to 8.6 million. Looking behind these figures, we know, also, that shareownership has broadened more than just numerically. It ranges, today, across every age and income group, every occupation and geographic area. This growth, and all it implies about a democratic America, incidentally, has impressed no one more than the editors of a newspaper published in Moscow. With the tremendous inventiveness that Pravda so often demonstrates in camouflaging the truth, the newspaper has explained to its readers that management in America is trying to increase shareownership "in an attempt to tighten the screws of exploitation and to make the working class more submissive to capitalism."

America's shareowners are not likely to agree — and within a short time we will have more news for Pravda. Work is now being completed on the Stock Exchange's 1959 Census of Shareowners. It is the largest research project the Exchange has ever undertaken. And while results are by no means final, it is evident from preliminary runs that stock ownership has become a fact of life for additional millions of Americans. The over-all rate of shareowner growth, in fact, is proceeding more rapidly than the Stock Exchange's conservative estimates of the past.

This development, it seems to me, has to be coupled with still another one: who is in the market at particular periods — and why? Or, put differently, how is the average American approaching the serious business of investing—and how is he using the facilities of the marketplace.

Here we find a picture that on the whole is very encouraging. Most people are buying stocks for cash, and using credit sparingly. They are deliberating carefully before committing themselves. New investors, for example, are likely to take six months from the time they first consider investing, to the date of their first purchases. Then, they are investing for the long-term. And they are concentrating on seasoned securities and often re-investing dividends.

Notes Disquieting Signs

By the same token, however, the investing picture today is not one of unalloyed brightness. There are several disquieting signs that I would like to discuss.

In our recent studies, we have unquestionably observed a much greater emphasis on short-term objectives than existed six months or a year ago. There has been a noticeable tendency to buy low-priced issues — largely because they are low-priced. This activity does not represent a particularly large dollar volume of shares traded—but it does reflect a "let's shoot the works" state of mind. It reflects an undue amount of amateur speculation in low-priced shares. And finally, this activity has been fanned by much greater talk about tips and rumors, and that most misleading of all phenomena, "the one that got away."

We are witnessing among some investors, in short, what one of our member firms recently called an "almost festive air in finance." And it is precisely now, when so many people seem caught up in these festivities that we are apt to forget some of the homely, old-fashioned virtues, like moderation and prudence, and some of the old-fashioned truths, like the law of gravity and the law of diminishing returns.

In view of this there is great merit in re-emphasizing two things: the precise functions and responsibilities of the Exchange Community, and more important, the responsibilities an investor owes himself when he approaches the market.

It may seem strange, but it is nonetheless true, that many people still do not have too clear an idea of either the Exchange's role and how it operates, or what it can and cannot do. Our problem, I am afraid, is akin to one the late baseball umpire Bill Klem used to describe. A prominent Midwest newspaper was convinced that the dignified Klem was deliberately giving the home team a bad time. The paper therefore launched an anti-Klem campaign. Several weeks later a fan in the stands witnessing a game that Klem umpired, died of acute indigestion. The newspaper promptly ran this wild headline: "Klem Kills Innocent Man."

Disclosure Policy and the Investor

Thus it is with the marketplace. We must constantly reiterate the Exchange's precise function. The Exchange cannot, for example, guarantee an investor a profit, or protect him from loss. It cannot regulate stock prices. It does not own, buy or sell the shares traded on the marketplace. It cannot exercise any control over the four thousand publicly-owned companies which are not listed thereon, or over the tens of thousands of securities salesmen who are not with our member firms.

But it can insist, for its eleven-hundred listed companies, on disclosure policies that give investors needed data. It can work effectively to strengthen stockholder rights by providing a corporate vote and a convenient ballot. It can bring to the marketplace a growing supply of seasoned issues, exemplified by the more than five billion shares now listed. And finally, the Exchange can, through its Member Firms, see that an investor who does business with them obtains accurate information and responsible guidance. Like any human being, a broker is not infallible. But if he is one of the 22,000 registered representatives of our Member Firms, we can—and do — insist that he abide by a code of business ethics that is unmatched anywhere.

By the same token the Exchange can see to it that transactions made thereon are publicized on its nationwide ticker system. It can work to maintain fair and orderly markets where bids and offers are made by open outcry and price spreads are held to a minimum. And it devotes enormous effort to keeping this vast operation under constant surveillance.

I have undertaken this quick review to spotlight the one critical thing the Exchange cannot do: **it cannot get inside the heart and brain of the investor, or decide for him how he ought to handle his investment program.**

A broker will, for example, strenuously urge a customer to define and understand reasonable investment objectives. But many a broker comes across the customer who insists on throwing away the rule book. "All right," this customer says, "I know what I'm doing. My objective is to make a fast turn." Whereupon he pours his money into some unproven security because it bears a "space age" label. If by any chance the price of the stock goes up, he feels himself to be a genius. If—and this is more likely—the price of the stock goes down, he is most apt to look around for someone other than himself to blame. Only last week a woman wrote me in high dudgeon because a stock selling for $1⅝ a share looked like it was not going to reach the $5 she expected within a year so she could buy a new piano. She was furious. She felt our cautionary program had caused the price of the stock to go down. But the lady's ire was misdirected —she should look into the mirror. She herself admitted she bought the low-priced stock in a company that had been in business for years but had never paid a dividend.

Offers Additional Precautions

So, to that first strong warning about determining proper "objectives" the broker and the Exchange add several more.

First, a stock certificate isn't simply a piece of paper. It represents a company — and the stock isn't any better than the company and its prospects.

Second, just because an industry is glamorous or prosperous, it can't be assumed that every company in the field will fare the same way. The glamour may rub off all too quickly, leaving the investor with little cash, and worse memories.

Third, equating low price with high value is an easy trap to fall into. Any good broker can certainly draw up a list of low-priced issues containing both cats and dogs, and shares of good value. And equally, he can furnish a high-priced list that includes both good buys and stocks that he feels are over-priced.

Finally, to drive home these messages, we can underscore the fact that there are some people who are plainly better off—financially and emotionally — by putting their money into bonds, or leaving it in the bank.

The stock market is, in a word, no place to get rich quick. We have said this often in the past — and we will repeat it often in the future. We can trumpet this message up and down the land—but I've discovered no pill to prevent a man from dreaming that somehow he can pull it off and strike it rich. Yet, the odds against his doing so are enormous.

One more thing we can do is inveigh against the phony promoters on the fringe of the securities industry who prey on the gullible with their siren songs. Here, again, most investors have been alerted. Many have been spared. But a good number have not. And with every case that comes to light — it is clear once more that a man can be protected against many things, but not against his own avarice.

1920s and 1950s Differ

To bring all this into perspective, may I add that today's market—with its stress on long-term investing and buying for cash, with its high margins and modest use of credit, with its emphasis on the purchase of stocks in well-seasoned companies, and buttressed by the presence of institutional investors — bears little similarity to the market of 30 years ago. Today's market is not a flimsy house of cards. On the contrary, it is a carefully constructed dwelling that reflects the prosperity and well-being of its owners — the American people. Lest this reference be misconstrued as a comment on the *level* of the market, I hasten to add that I don't know whether stock prices are too high or too low. A current judgment must be made, not on the basis of the "averages," but by considering individual issues. And only history will tell us how correct those judgments have been.

I know, finally, that the stock market is no place for the casual or the careless, the get-rich-quick devotees, or the people who can't afford the risks. The nation's investors—particularly the minority new to shareownership — should heed the cautions and make a careful assessment of their investment aims and objectives. The failure to do so can only lead to disappointment. And the disappointment will be doubly difficult to bear because we can be sure of one thing: sound American businesses will in the future continue to grow, and their shareowners will have the chance to prosper with their companies. For I have the abiding conviction that a person who gets the facts and uses good judgment can this very minute find many opportunities in the market ahead to make investments which will appreciate in value in the years ahead as the nation grows.

This is the conviction, you will recall, that prompted the Exchange to embark on its broader ownership program in the first place. That conviction remains unchanged. We believe we have done a great deal to encourage millions of people to consider their investment opportunities—and to handle them soundly. In the years ahead we intend to spell out those opportunities as clearly as we can. We hope that the investment process will recommend itself to many more millions of people. Our capitalistic society needs their direct identification as capitalists.

Government's Role in the Investing Picture

In what I've stated thus far, I've eliminated one place we ought to look for responsible performance: the Federal Government. The investment climate, and the pressures on the market, certainly reflect the way people think the government is—or is not —doing its job.

Two quick illustrations will suffice. The fight against inflation is perhaps the best advertised in recent years. Most people have begun to appreciate fully that rising costs, without a corresponding rise in output, work a cruel hardship on everyone. Inflation is morally wrong, and economically unsound. And it won't remain gradual, in the words of C. Canby Balderston, the Vice-Chairman of the Federal Reserve Board, "any more than a lion cub will continue small and harmless."

Recognizing this, more and more people have purchased common stocks which historically have tended to keep pace with living costs. In doing so, they have added to the upward pressure on the market, and the downward pressure on government bonds.

Is there a solution. A distinguished member of the financial community, Aubrey Lanston, puts it very bluntly. "I hope that we will find," he said, "that there are enough people in this country who care enough about what happens . . . to scream the house down . . . so that Congress will not be tempted to be lax in its number one duty. This is to repair the condition of the government's finances and to make clear that the credit of the Treasury will be maintained — by promoting a stable currency."

Wants Better Tax Structure

Government's next responsibility, it seems to me, is to create a tax structure that doesn't operate to prevent qualified investors from entering the market at reasonable prices. Charles Kettering once said that "one of the things we have to be thankful for is that we don't get as much government as we pay for." But in the case of the capital gains levy and the double tax on dividends we're getting far too much. These two taxes conspire to reduce the floating supply of stock, while freezing investors into their positions and discouraging companies from issuing additional shares. The Exchange's position on both these laws is well-known. They have long since served any doubtful revenue-bearing purpose they had. Today they are adding to the negative influences on the market, and they ought to be revised downward — and eventually eliminated.

Sums Up Points Made

In essence, then, what I have wanted to stress in this:

The American experiment is continuing. One of its most exciting aspects is the boom in shareownership — a fact that our new Census will soon document. The tide towards ownership is changing our form of capitalism, and permitting more people to share directly in oour economic growth.

The Exchange Community's program in recent years has contributed to this development. It has been our privilege to open up *investment* opportunities for millions of people, and to strengthen the market's liquidity by facilitating the *speculative* activity of informed individuals.

Today's market has little similarity to the past, and most people are using the marketplace carefully and well, and concentrating on the long-term.

Nevertheless, there has also been a tendency by some to ignore the necessary cautions, to hope blindly for quick profits, to take unnecessary chances and to fall for the blandishments of the phony promoters. To meet this problem I can offer you the Exchange Community's pledge that we will continue and even expand our educational efforts. And we will continue to see that our own facilities will not be used for reckless speculation by the uninformed.

Finally, because these matters are not the exclusive province of either the investing public or the Exchange Community, we will

continue to impress on our Federal Government the need for a successful fight against inflation, coupled with workable tax-reforms.

Having come this far, there is no reason, in Whitman's words, "to halt in this land today." There is a new frontier ahead—the ownership of American business by additional millions of people. And we believe that the sound and steady progress towards this goal is one of the healthiest and happiest things that can happen to America.

United Artists Corp. Arranges Financing

United Artists Corp. has concluded arrangements for the private placement of $15,000,000 of 6% participating promissory notes due June 1, 1974, it was announced yesterday (May 6) by Robert S. Benjamin, Chairman of the Board, and Arthur B. Krim, President. The Prudential Insurance Co. of America has agreed to purchase the greater portion of these notes, with the balance being purchased by the Puritan Fund, Inc. of Boston. The placement was arranged by F. Eberstadt & Co.

A total of $10,000,000 of the notes will be taken down initially and the balance of $5,000,000 at the option of the company at any time within the next two years. The notes will have a fixed interest rate of 6% with an additional small interest participation based on the net profits after taxes of the company in excess of $3,500,000.

Mr. Benjamin stated that the new funds will be used in the continued expansion of the company's business. United Artists, whose 1958 releases received six Academy Awards, recently announced that it will release 28 major motion pictures in 1959, compared with 16 last year, and that it is expanding in the television film, recording and music publishing fields.

In connection with the new financing, Mr. Benjamin announced that United Artists has today called the balance of its outstanding convertible 6% subordinated debentures due 1969 which have not been converted. The final date for such redemption is June 22, 1959 at a price of 107% together with accrued interest (on a $1,000 debenture, holder will receive $1,078.50). These debentures are convertible into common stock until the close of business June 12, 1959 at $21 per share.

F. Eberstadt & Co. has formed a standby purchase group to assure substantial conversions of the remaining debentures by offering to purchase at a price of 108.4% any debentures tendered through the expiration of the conversion period on June 12. The purchase offer by the standby group is equivalent to $22.77 per share. The closing price yesterday of the stock was $27.75. The closing price of the remaining $4,465,700 of the original $10,000,000 debenture issue was $130.25.

United Artists on May 6 declared the regular quarterly dividend of common stock of 40 cents per share, payable June 18, 1959 to stockholders of record May 25. Holders who convert their debentures on or prior to May 25 will be entitled to receive the dividend.

United Artists recently announced that sales in 1958 had increased to $84,000,000 from $70,000,000 in 1957 and that net income had increased to $3,702,000 from $3,262,000 in the same period. During the quarter ended March 1959 gross revenues were $19,300,000, compared with $16,500,000 a year earlier.

Rodney W. Brown

Rodney W. Brown, partner in F. S. Moseley & Co., Boston, passed away suddenly on May 2.

Continued from page 4

The State of Trade and Industry

recent airline plan. Under this plan, airlines which operated while others were struck coughed up a percentage of their revenue to the lines that were shut down.

Meanwhile, both sides appear to be so far apart and so determined in their positions that nothing short of a miracle seems likely to prevent a long and bitter strike.

"This view is based on interpreting steel management's stand and on taking a close look at steel labor's actions and history," "Iron Age" commented.

The mills are going into negotiations with business at the best level in history. The strength of the market, even apart from inventory accumulation as a hedge against a possible strike, has been surprising to nine out of ten steel men. Steel output in the first six months could run at an annual rate of between 125 and 130 million ingot tons. Even with an expected letdown in the third and fourth quarters, strike or no strike, production this year could approach or exceed the record of 117 million tons set in 1955.

Furthermore, said "Iron Age," reports from mill district offices indicate metalworking companies are chewing up tremendous tonnages of steel. These reports are so widespread that one major mill is rechecking its inventory calculations. If steel use is greater than figured, this may show up in the next 30 days because the mills are now moving into the period when they have more tonnage booked than they can ship.

One significant point: Steel users are pressing for delivery of specific lots of steel rather than blanket orders of the type that cover steel to be put into inventory. Apparently, these companies need the steel now—not later.

Iron and Steel Industry Employment Continues to Gain

More than 103,000 hourly and salaried workers have been added to the steel industry's payroll since May 1958, the low point in last year's recession, American Iron and Steel Institute said on May 3. The increase in employment of those workers in the industry continued for the eighth consecutive month during March. The total was 603,635 hourly and salaried employees, up more than 23,000 from the February figure, the Institute said.

The payroll for hourly and salaried employees during March was a record $385,413,953—a gain of more than $51 billion over the February total. The prior record payroll was $344.4 million, paid in January 1957.

The average hourly payroll cost for wage earners during March also set a record at $3.336, compared with the former high of $3.326 per hour paid in the previous month and $3.092 during March a year ago.

Wage earners averaged 41.0 hours of work per week during March as against 40.4 hours in February and 33.6 hours per week during March 1958.

The above dollar figures do not include costs of pensions, supplemental unemployment benefits, social security and insurance which amounted to an average of 33.2 cents per hour in 1958 in addition to the direct payroll costs. All data cover only employees engaged in the production and marketing of steel. They exclude mining and nonsteelmaking employees in companies having such other operations.

On the basis of reports from companies having 94.9% of the 1959 steelmaking capacity, it is estimated that the March, 1959 payroll for the entire iron and steel industry (hourly and salaried employees included) was $400,222,000 while the employment during the same month was 631,400.

Rise in Steel Prices Forecast

Odds are that steel prices will rise after midyear, but the increase may be small, "Steel Magazine" said on May 4.

As industry leaders begin contract talks with the USW, they are more determined than ever to hold the line—first on wages, then on prices.

But the USW has the trump card, the metalworking weekly said. If it resorts to the usual tactic—a long, drawn out strike—steelmakers may be compelled to settle. Customers will start clamoring for steel, and government leaders will forget what they said about inflation.

If direct employment costs go up 6 cents an hour, steelmaking costs will rise about $1.08 a ton (18 manhours). An increase of $2.16 will be warranted because costs of purchased goods and services usually increase as much as direct labor. An 8 cent hike in direct employment costs means $2.88 a ton; an 11 cent rise, $3.96.

The industry will seriously consider not raising prices because of government opposition, inroads of foreign steel, and competition from other materials.

If the industry decides price relief is mandatory, the increase will probably come in two instalments—one right after the contract is signed (enough to partly offset direct labor costs) and another about six months later (to cover some passalong costs) if the economic coast is clear.

"Steel" said that constantly increasing costs of employment in the steel industry are being met by progressively small price hikes. For those increases announced immediately after new wage contracts, the price rise for each penny of increased employment costs was 15 cents in 1958; 37 cents, 1956; and 54 cents, 1949.

Steelmakers operated their furnaces last week at 94.5% of capacity and produced 2,676,000 ingot tons, the largest output in history. April's production was 11.3 million tons second only to that of March (11,567,000).

Steelmakers are producing and shipping at capacity, the magazine said. They're not overbooked in terms of optimum performance, but they have made no allowance for breakdowns, wildcat strikes, or transportation tieups. Deliveries are almost sure to lengthen even if production remains at a record high. In the last few weeks, several steelmakers have fallen behind—especially on galvanized, cold-rolled, and hot-rolled sheets. Some mills are five weeks off schedule.

Metalworking has its sights set on record profits in the second quarter, "Steel" said. It will hit the target if the capital goods industries catch up with the recovery pace of the general economy and if other metalworking industries continue their present rate of improvement.

"Steel's" price composite on the No. 1 heavy melting grade of scrap dipped last week to $34.33 a gross ton, off 34 cents. It is down $15.30 from March 1957—the last time the industry operated as close to capacity as it is now.

Steel Output Based on 94.2% of Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies will average *166.1% of steel capacity for the week beginning May 4, equivalent to 2,668,000 tons of ingot and steel castings (based on average weekly production for 1947-49) as compared with an actual rate of *163.5% of capacity and 2,627,000 tons a week ago.

Actual output for the week beginning April 27, 1959 was equal to 92.8% of the utilization of the Jan. 1, 1959 annual capacity of 147,633,670 net tons. Estimated percentage for this week's forecast is 94.2%.

A month ago the operating rate (based on 1947-1949 weekly production) was *164.4% and production 2,641,000 tons. A year ago the actual weekly production was placed at 1,334,000 tons, or *83.0%.

*Index of production is based on average weekly production for 1947-1949.

Auto Industry's "Little Two" Setting Output Records

American Motors and Studebaker-Packard—the U. S. automobile industry's "Little Two"—are giving a big account of themselves this year, according to Ward's Automotive Reports.

They are turning out almost 10% of the nation's cars in 1959 and are well on their way to establishing model year production records.

Ward's said on May 1 that AM and S-P will assemble half a million autos between them in the 1959 model year period, which ranges approximately from the Autumn of 1958 through the Summer of 1959. AM will account for 350,000 units—more than double its 1958 model count — and S-P will turn out 150,000, almost triple last year. Each of this year's figures is a company model year production high.

The statistical publication said AM and S-P programmed 10.4% of the total passenger car production in the week ended May 1, or 12,492 out of 119,739 units.

The past week's industry schedule was the lowest in 11 weeks and skidded 11% below preceding week's count of 133,987. Ward's attributed the dip to an annual spring inventory by several of General Motors' Buick-Oldsmobile-Pontiac assembly plants and a full-week and a two-day stoppage at Chevrolet's Los Angeles and Oakland, Calif., factories, respectively. Another factor was the celebration of Confederate Memorial Day in Georgia, which idled Chevrolet and Ford plants in Atlanta.

Ward's said truck-making continued at a strong clip during week with 26,290 units on tap. The count was less than 3% below earlier week's 26,987 total, the peak truck-making week in 1959 to date.

Electric Output 11.5% Above 1958 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, May 2, was estimated at 12,546,000,000 kwh., according to the Edison Electric Institute.

For the week ended May 2 output increased by 8 million kwh. above that of the previous week and showed a gain of 1,295,000,000 kwh. or 11.5% above that of the comparable 1958 week.

Car Loadings 21.2% Above Corresponding 1958 Week

Loadings of revenue freight for the week ended April 25, totaled 647,282 cars, the Association of American Railroads announced. This was an increase of 113,431 cars or 21.2% above the corresponding week in 1958, but a decrease of 43,507 cars, or 6.3% below the corresponding week in 1957.

Loadings in the week of April 25 were 13,736 cars, or 2.2% above the preceding week.

Lumber Shipments 6.8% Above Production

Lumber shipments of 477 mills reporting to the National Lumber Trade Barometer were 6.8% above production for the week ended April 25. In the same week new orders of these mills were 7.0% above production. Unfilled orders of reporting mills amounted to 45% of stocks. For reporting softwood mills, unfilled orders were equivalent to 21 days' production at the current rate, and gross stocks were equivalent to 41 days' production.

For the year-to-date, shipments of reporting identical mills were 2.7% above production; new orders were 4.4% above production.

Compared with the previous week ended April 18, production of reporting mills was 0.5% below; shipments were 1.9% above; new orders were 3.9% above. For the latest week, as against the corresponding week in 1958, production of reporting mills was 13.4% above; shipments were 16.6% above; and new orders were 1.4% below.

Business Failures at Lowest Mark in 12 Weeks

Commercial and industrial failures declined to 275 in the week ended April 30 from 300 in the preceding week, reported Dun & Bradstreet, Inc. At the lowest mark in 12 weeks, casualties fell considerably below their total of 336 in the similar week last year and were off moderately from the 297 in 1957. However, they edged 4% above their prewar level of 281 in 1939.

Failures involving liabilities of $5,000 or more decreased to 239 from 259 in the previous week and 313 a year ago. While small casualties, those with liabilities under $5,000, also dipped during the week to 36 from 41 last week, they remained above the 23 of this size in 1958. Liabilities ranged above $100,000 for 28 of the week's casualties, as against 31 in the preceding week.

All industry and trade groups had lower tolls except construction where failures rose to 47 from 38 a week earlier. Retailing casualties fell to 139 from 149, manufacturing to 41 from 54, and wholesaling to 25 from 35. The commercial service dip was slight—to 23 from 24. Declines from last year's levels prevailed in all lines.

Geographically, most of the week's downturn was concentrated in the Pacific States, down to 62 from 76, in the Middle

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The State of Trade and Industry

Atlantic States, off to 92 from 110, and the West North Central, down to 9 from 18. Contrasting increases occurred in three regions; the most noticeable rise lifted the East North Central toll to 48 from 37. No change was reported in two regions, including the South Atlantic States which held at 23. Fewer businesses failed than last year in seven of the nine regions.

Wholesale Commodity Price Index Moves Upward

The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., rose to 278.06 on May 4 from 276.76 a week ago. One year ago the index stood at 278.34. Figuring in the increase from last week were higher prices for cottonseed oil, packer's calfskins and ribbed smoked sheets of rubber.

Demand for wheat was light and in view of large supplies, trading was slow this week. Prices dropped several points. Corn prices increased with fairly strong demand coming from both domestic and foreign buyers. Rye ended at a higher level than in the previous week while oats fluctuated narrowly and finished unchanged. Soybeans weakened and closed at a lower price despite light marketings.

Bakery flours moved very slowly the past week despite indications that the supply of soft wheat may be smaller than last year. On the other hand, rice found rather strong demand, particularly in long grains. Prices remained the same as last week.

Sugar prices remained firm in quiet trading. Refiners were apparently holding off pending additional offerings. Coffee trading was light and dropped slightly. Cocoa futures dropped slightly in slow trading.

Receipts in the cattle market increased 10% over the previous week with over 70% in slaughter steers. Prices remained at last week's level. Larger receipts, lack of broad shipping outlet and weakening of prices in some cuts of pork at wholesale drove prices of hogs down. Trading in lambs was rather active early last week but turned slow at the close. Prices were unchanged from the previous week.

Cotton prices rose slightly this week with the market strengthened by moderate sized mill orders and short covering. The Department of Commerce announced prices to be paid by the CCC under the price support program for 1959 crop Middling I Choice A cotton at average location will be 34.1 cents a pound and for Choice 13 cotton, 28.4 cents a pound. United States cotton exports for the week ended last Tuesday were estimated at 45,000 bales compared to 54,000 bales the previous week and 124,000 the year before.

Wholesale Food Price Index Slips Fractionally

After four consecutive weeks of remaining unchanged at $6.16, the wholesale food price index, compiled by Dun & Bradstreet, Inc., slipped a fractional 0.2% on April 28 to $6.15. The current level was 6.5% below the $6.58 of the corersponding date last year.

Commodities quoted higher in price this week were sugar, steers, and hogs. Lower in price were wheat, corn, rye, oats, barley, hams, lard, cottonseed oil, cocoa, and eggs.

The index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Consumer Buying Slightly Over Last Year

Unpleasant weather in many areas held consumer buying this week below that of the prior period, but over-all retail trade remained slightly higher than last year. Volume in New York City was below that of both the preceding week and a year ago due to a strike of United Parcel Service drivers. Best-sellers in the country as a whole were some lines of women's Summer apparel, furniture, and floor coverings. Volume in new passenger cars was sustained at a high level and sales remained noticeably over a year ago, according to scattered reports.

The total dollar volume of retail trade in the week ended April 29 was unchanged to 4% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1958 levels by the following percentages: New England +6 to +10; Mountain +4 to +8; East North Central +3 to +7; South Atlantic +1 to +5; West North Central and East South Central 0 to +4; West South Central and Pacific Coast —1 to +3; Middle Atlantic —8 to —4.

Increased buying of women's cotton dresses, sportswear, and beachwear boosted over-all sales of women's apparel moderately over last year; there were appreciable year-to-year gains in fashion accessories for Mother's Day. Sales of men's apparel advanced slightly over the similar 1958 week, with principal gains in lightweight suits and Summer sportswear, especially knit shirts.

Sales of household goods were highlighted by substantial year-to-year increases in furniture, especially lawn tables and chairs and dinette sets. Interest in floor coverings and draperies was sustained at a high level and appreciable gains over last year occurred. There was a slight rise from both the prior week and last year in purchases of linens. Appliance volume was sluggish with declines from a year ago in air coolers and refrigerators.

Food sales were close to the prior week. Increases in frozen foods, canned goods, and fresh meat offset declines in some dairy products and poultry.

Nationwide Department Stores Sales Up 4% For April 25 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's Index for the week, ended April 25, increased 4% above the like period last year. In the preceding week, for April 18, an increase of 6% was recorded. For the four weeks ended April 25 a gain of 3% was registered.

According to the Federal Reserve System data on department store sales in New York City for the week ended April 25, as compared with like period last year, is not available. In the preceding week, April 18, an increase of 8% was reported; April 11 an increase of 18% was reported and April 4 showed an 18% loss over the 1958 week. The Board likewise reported a lack of data for New York City sales in the four weeks ended April 25 as compared with the like period in 1958.

$30,000,000 Textron Debentures on Market

Public offering of $30,000,000 of Textron Inc. 5% subordinated debentures due May 1, 1984, with common stock purchase warrants attached, was made yesterday (May 6) by a syndicate jointly managed by Blair & Co. Inc.; Scherck, Richter Co.; G. H. Walker & Co. and The First Cleveland Corp. The debentures were offered at 100% in principal amount, plus accrued interest from May 1, 1959.

Each debenture carries two warrants entitling the registered holder to purchase for cash a total of 20 shares of common stock for each $1,000 principal amount of debentures at prices ranging from $25 per share through May 1, 1964 and at increasing prices thereafter to and including May 1, 1984 when the warrants expire. One warrant, for one-half of the shares, may be detached at any time and is exercisable at any time on or after June 1, 1959. The other warrant, for the remaining shares, may be detached at any time on or after May 1, 1960 and is exercisable on or after May 1, 1960.

Net proceeds from the sale of the debentures will be used by Textron Inc. to redeem all of the outstanding 4% preferred stock, class A and class B, in the approximate amount of $4,590,000, to reduce or retire short-term indebtedness incurred since Jan. 3, 1959, and the balance of the proceeds will be available for general corporate purposes, including expansion of the present Textron companies, the continuance of Textron's diversification program, and working capital. Net proceeds from the exercise of the warrants will be paid into the sinking fund to be used to retire these debentures.

The debentures will be redeemable at the company's option at 100% of the principal amount, plus accrued interest.

Textron Inc. is a diversified manufacturing company with a wide range of industrial and consumer products, including power chain saws, electronic equipment, metal fasteners, aluminum products, batting, bathroom accessories, opthalmic products, heavy tooling and machinery, metal and plastic castings and textiles. Textron's customers are leaders in the automotive, aircraft, building, missile and textile fields. With the recent addition of Nuclear Metals, Inc., Textron has now entered the field of atomic energy. The company was incorporated in Rhode Island in 1928 and until September, 1953, it engaged solely in the Textile business. Since 1953, the company has expanded, under a program of diversification, into many unrelated non-textile businesses, with the result that non-textile operations represent about 75% of sales.

For the year 1958, the company and its subsidiaries had consolidated net sales of $244,227,000 and consolidated net income of $10,756,000, equal to $2.51 per common share. Sales in the first quarter of 1959 amounted to $64,949,000 on which net income amounted to $4,580,000, or $1.01 per common share. Comparable sales in the first quarter of 1958 were $56,170,000, on which net income amounted to $321,000, or three cents per share.

With E. M. Adams Co.

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore.—William W. Brown is now with E. M. Adams & Co., American Bank Building.

Foster & Marshall Adds

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore. — Robert T. Morris, III, has joined the staff of Foster & Marshall, Southwest Sixth Avenue at Oak Street.

Continued from first page

It Would Be Tragic to Permit Inept Financial Husbandry

words: unemployment, prices, and debt.

Unemployment is down from its recession levels, but it continues to plague the mining regions and areas dependent upon heavy industry. The list of cities with one out of eight workers jobless contains the long-suffering coal towns of Scranton, Wilkes-Barre and Huntington. These have been joined by Buffalo, Erie and even Detroit, which has been the epitome of American initiative and mass production know-how. The rate of unemployment 19 months after the last cycle peak is only slightly above comparable experience in 1948-50, but is higher than the 1953-55 experience by about 1%.

Such a comparison may comfort statisticians but not the families afflicted. Even though further expansion will tend to put the idle to work as overtime fails to meet the demand, an unemployment level of over four million beings should lead us to question whether job opportunities would not be greater if some prices were lower.

As expansion continues, the rising investment demand stemming from industrial research and management initiative will require an increased flow of savings. If we are to remain competitive at home and abroad, we shall need not only capital for implementing technological advance, but competitive prices as well. Competition is, of course, a relative matter. How do our products compare with those made in other countries as to quality, price and promptness of delivery? While we have improved, others may have been improving even more rapidly. Early this year our exports were down one-fifth from early 1957. This decline may be explained, in part, by cyclical developments abroad which reduced foreign demands for our raw materials and finished goods. At the same time, there is clear evidence that our cherished advantage in some types of machinery, as well as in autos and certain other mass-produced items has been diminishing. This is a situation that will not be cured by ignoring it, or by the mere passage of time, or by passing laws. The sole solution lies in keeping our costs (including labor costs) competitive so that American firms may produce what enough people want, at prices they are willing and able to pay.

Prices were buoyant during the recent decline and subsequent recovery. In the recession, the industrial-price average fell less than 1%, even though prices of materials slipped considerably. This was similar to the 1953-54 experience. Early last year, however, prices of farm products and foods went up sharply. As a result the total wholesale price index rose 1% during the period of business contraction. Since the turnaround in business activity in May, 1958, the average of industrial prices has risen 2% and is now about 1½% above the previous all-time high. Though there has been unused capacity of human resources nad manufacturing plants, industrial prices have risen sooner and faster than in the two previous recoveries when prices did not advance significantly until after output was well above its previous peak. One may ponder the question: have we paid the fee for an adjustment we didn't get?

Debt in the Devil's Brew

In this Devil's Brew of trouble, containing unemployment and advancing prices, there is also the ingredient of debt. I refer not alone to consumer and to business debt, but to that of local, State and Federal governments.

In 1958 the growth in consumer instalment debt slackened, but total consumer indebtedness, including residential mortgage credit, still grew by $10.7 billion—a large figure even if less than the $18.9 billion rise in 1955. Practically all of last year's rise was in mortgage debt on family houses which mounted $10.4 billion to a total of $118 billion. Fortunately, this rise in the debt of individuals was more than offset by an increase in their financial assets, and so 1958 was a year in which consumer saving continued at a high rate. Now, however, both consumer instalment and mortgage debt are rising sharply.

But the governmental debt situation is far different. It is not necessary to detail the plight of State and local governments in increasing their revenues. Their troubles are being widely publicized. The Federal Government's spending in excess of its revenue, however, is especially serious because financing it has been complicated by the attitude of savers toward fixed-income securities in general, and government bonds in particular. Thus, balancing the Federal budget is more than a problem for the Budget Director; it is an evidence of the nation's determination to protect the integrity of the dollar as a store of value. As such, our budget behavior is watched by the financially sophisticated the world over.

Whereas the Federal Government had a cash surplus of $2.1 billion in fiscal 1957 and a small deficit of $1.5 billion in fiscal 1958, it is incurring a whopping cash deficit of over $13 billion in the current fiscal year. Federal cash receipts in fiscal 1959 will be about the same as in fiscal 1958, but expenditures will be close to $12 billion larger than in fiscal 1958 and $15 billion larger than in fiscal 1957.

Consequently, the Treasury has been frequently in the market for funds because of fiscal decisions made in the past. The deficit that has to be financed currently is arising out of decisions made a year ago and earlier. For some time in the future we will have to live with the fiscal decisions now being made. We are all aware of the circumstances that have given rise to large national defense expenditures. At the same time, nonmilitary Federal expenditures have also increased, partly as the result of farm price-support programs, partly as the result of governmental actions taken to offset recession, and partly as the result of such built-in stabilizers as unemployment compensation. Prospects are that although economic recovery will bring a big increase in receipts next year, expenditures will continue large. The attainment of a balance is precarious unless positive measures are adopted.

Current Monetary Problems

I turn now to certain Federal Reserve problems that are current. A basic function of the System is to supply banks with reserves that will provide the volume of credit that is in keeping with stable economic growth. The objective is to supply neither too much credit nor too little. Monetary policy made credit easy during the period of economic contraction in order to hasten the turnaround. Credit continued easy throughout the early recovery period and the money supply

expanded very rapidly from February to August. If the money supply be measured by currency and demand deposits, the annual rate of increase (seasonally adjusted) was about 8% in that brief period. For those who prefer to include time deposits in their definition, the rate of expansion was even more rapid. With vigorous recovery of business in the second half of the year, the Federal Reserve System acted to moderate expansion in the money supply so that the increase for the entire year 1958 was about 4%. Was this sharp counter-recession increase of the appropriate amount? Or did it exceed the needs for stable growth?

Another problem faced by the System is to help achieve and maintain a proper relation between the total of demands on the capital markets and the total flow of saving. If these capital needs cannot be met out of voluntary savings and if an increase in the money supply under such circumstances would be inflationary, a monetary policy geared to sustainable growth must be restrictive and some would-be borrowers must be disappointed.

Recession Lessons and Current Concerns

It is illuminating to ponder recent history in order to distill from it whatever lessons it may teach us. Take business capital expenditures. In the year 1955 we enjoyed an extraordinarily high level of consumer expenditures for automobiles, for housing, and for many durable goods. Businessmen, encouraged by these strong demands, stepped up their capital expenditures, partly because they were projecting these demands into the future. The record level of outlays for fixed capital helped sustain economic activity in 1956 and much of 1957, even though consumer spending for durables and housing had receded sharply. Then businessmen in many industries decided their capacity was great enough to match foreseeable demand—sometimes even greater. They cut back their expansion programs. The consequent falling off of business capital expenditures in 1957 was clearly a major factor in the recession.

Sustainability of Inventory, Wage, Price Decisions

By the same token, the inventory policies that had seemed appropriate in the light of peak business activity were found by the fall of 1957 to be out of keeping with existing needs. And so there began a period of rapid inventory liquidation. Query: Is the present rate of inventory accumulation sustainable?

Many of the currently prevailing prices and wage rates also represent decisions made some time ago. We are not sure of the extent to which the inflexibility of industrial prices during the recession represented lags in the price and wage determining process. But price rises during a recession are certainly no help in fostering recovery.

Diluting the purchasing power of the dollar does not provide permanent employment opportunities. Persistent depreciation in the value of the dollar does injure those who must live on fixed incomes. But the protection of the purchasing power of the dollar goes beyond the important consideration of equity for such individuals. For one thing, inflation diverts business energy into speculation and away from the increasing of output and of productivity. We know that hyperinflation is disruptive to the productive process; even small doses of inflation are inconsistent with well-maintained productive activity.

Per capita growth is largely dependent upon technological advances bolstered by sufficient capital to take advantage of them. It is a mistake to equate economic growth with governmental spending. We must ask ourselves: What kinds of growth are most beneficial? What kinds of governmental spending are conducive to stable growth and what kinds are detrimental?

Poor Measuring Rod

I should observe, in passing, that GNP is too limited a measure of a country's progress and of its ability to satisfy human wants to serve as the sole basis for comparing our country with other countries that operate under entirely different rules. The dollar value of GNP may rise while living standards fall or while job-creating activity declines. Furthermore, material goals are only one aspect of our way of life. In the economic sphere, however, what is it we desire to be able to produce in greater quantity? Is it more missiles, or more perfume? More plant capacity, or more schools and roads, or more farm crops? More producer goods or more consumer goods and services? In our economy, of course, the majority of these decisions are made in the market place. The role of government, however, has been progressively widened.

Government spending will not enhance the savings required to provide the tools of other capital equipment needed. Spending dictated by pressure groups will scarcely achieve the changes needed for real and sustainable growth—in fact, it may impede such changes. Economic growth has been associated with the shifting of resources, human and material, to new industries and from less productive industries and occupations to those of higher productivity. A major example of changes in patterns of resource utilization is the continued shift of farm workers and land to urban uses. The shifting of resources nonetheless may exact temporarily a price in unemployment. In New England it is only in recent years that the decline of the textile industry has been offset by the emergence of the electronic and other new industries.

Growth and Price Level

Healthy growth of the economy can be attained only by a close gearing of bank credit expansion with that of the economy generally. Such growth requires that the central banking system provide enough but not too much money to achieve and maintain balanced growth without inflation. Recent historical research of the National Bureau of Economic Research shows that, while growth rates have fluctated considerably in the short run, the growth process, if measured by decades, has been remarkably durable. Except for the decade containing the Great Depression we have had appreciable growth during every decade for the last 70 years. A highly significant point brought out by this research is that growth was strong during the period of falling prices which came in the last third of the 19th Century; and that growth was rapid during the decade of the 1920s when prices were fairly stable. This evidence suggests that price stability and rapid growth are quite compatible. The essential point is that per capita growth depends to a considerable extent on greater productivity. Productivity, in turn, depends on the existence of a flexible economic system, one ready to use advanced technology.

The decision-making process needs guideposts. It needs to be governed by some general view as to our ultimate goals: what we think worthwhile and are willing to strive for. National economic objectives permeate the decision-making process. As long as our citizens deal with general objectives, there is very little dispute. Everyone wants the country's standard of living to continue to rise. Prosperity and adequate job opportunities are goals that all agree upon, and so sustainable growth without inflation is high among our accepted objectives. Political and economic freedom are American hallmarks.

The freedom to make private economic decisions is not only consistent with our system of economic and governmental organization; it is one of the basic human values that we prize. But freedom can be preserved only so long as it is accompanied by wisdom and restraint. Moreover, our freedom does not include freedom from the consequences of natural economic law. Each time we elect to spend, we must figure out how the bill will be paid.

In homespun language, "There is no such thing as a free lunch." Government cannot give to some citizens what it does not take from others. A nation cannot spend more than it earns through production. The goods we enjoy have to be produced by someone's sweat and by someone's saving. Intemperate and unwise decisions could squander our resources, magnificent as they are. But if our decisions are prudent and balanced, and if we assess correctly our nation's capacity to grow and prosper, we should enjoy the great bounty that it can produce. It would be tragic if inept financial husbandry were to injure a future that appears to be so rich in promise and in hope.

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Businessman's Responsibilities In Domestic and World Affairs

most everything, and in many countries reconstruction — resulting in conditions under which government continued to enlarge its area of responsibility, and labor unions—many of them now industry-wide—found themselves in a position to exercise compelling power both at the economic and political bargaining tables.

In short, the great forces of government, labor and business management are today out of balance. People everywhere are confused as to the true place, responsibility and function of each and particularly of business. It is our task as businessmen to dissipate that confusion and help restore that balance.

And so I say again, if we truly believe the many ringing words we have all uttered in support of free institutions, competitive enterprise, adequate but limited government, and the necessity for economic understanding both at home and between citizens of the nations of the world, then we must on a far larger scale involve ourselves—responsibly as business statesmen—in domestic and world affairs. And we must resolve that this kind of work is a regular continuing assignment for ourselves and our associates, and get on with the task of determining how we can be most effective.

Need for Business Organization

Well, then how **can** we be most effective? This, after all, is the crux of the problem. The answer is both obvious and simple but, speaking for American businessmen, there was until recently almost none who did anything about it. Today there is a modest but growing number of companies who have seen the light and are taking the necessary action. The answer is, of course, that the way to get anything done in a business organization is to **organize** for it. The activity must be clearly identified, its objectives and program defined, a manager and necessary staff must be appointed, and adequate facilities provided.

Then, and only then, will things begin to happen. The dimensions of this task are not such that the chief executive or one of his officers can handle them in his spare time. The character of the needed organization will, of course, vary widely depending on the size and geographic dispersal of the company. But until the importance of these matters has been recognized at the top by assigning specific responsibility for them to one or more qualified executives, preferably full time, nothing, or substantially nothing, will result.

We in General Electric woke up to this obvious truth much more recently than I care to admit. As a result of that awakening, however, we have in our staff organization at headquarters two clearly-defined departments. One of them deals exclusively with educational matters, relations with colleges and universities throughout the country, studies and administration of our educational-support programs including grants, fellowships, and our so-called Corporate Alumnus Program under which the company agrees to match contributions made by any of our 32,000 college graduate employees to their respective alma maters.

The other department deals with government relations. It is a service organization which keeps up-to-date on political trends and developments, analyzes pending legislation, advises the operating and staff departments throughout the country on these matters and assists them in their day-to-day relations with local, state and Federal Government officials. Thus, it performs a research, planning and clearing-house function with the objective of creating a widespread understanding of the impact of present or prospective legislative issues on industry generally and the company in particular.

The creation of these specialized groups to perform clearly-defined work in the educational and political areas has produced encouraging results and we have no hesitation in commending this approach to others.

One final thought on the matter of effectiveness in discharging the responsibilities of businessmen in domestic and world affairs. I am sure you will agree that our responsibility will not be discharged by making pronouncements, however wise, to one another. How many times have you listened, just as I have, to a fine, thoughtful and statesman-like talk on some highly important economic issue by a business leader to a large group of other business leaders!

Surely this does no harm; it may even do a bit of good. But the fact is that 95% of the speaker's audience understood the problem and the issue and were in complete agreement with his views from the beginning. Not so, however, large segments of the general public, the educators of the country or the political people. The fact is that our communications are grossly inadequate and this problem cries out for intensive study and determined action by every one of us.

One has only to talk briefly with educators at the college level, with the directors of women's organizations, civic groups, religious and political organizations, to learn that it is very difficult for them to get qualified and informed speakers from the ranks of business. This is in sharp contrast, it may be added, to their experience when similar requests are made to labor unions. These, of course, are precisely the groups we should be seeking to reach in the discharge of our responsibility as businessmen. And it must be part of the assigned task of plant managers and junior officials of our organization, in addition to the principal executives, to respond to opportunities to make such contacts and to express their views.

Hesitation on the part of business to speak out on controversial political questions is almost proverbial. This is a reflection of the unbalance of which I spoke earlier and is, in my judgment, a serious evasion of our responsibility. If on a broad front we speak out, quietly but firmly, not just at the seats of government but throughout the land in the communities in which we live and work, then—if our position is sound—the result cannot fail to be constructive.

Participation in Public Affairs

More and more companies must encourage their employees to participate in local political and civic affairs. More and more companies must express their views on political issues and on the meaning and significance of a better business climate to their shareowners, employees, neighbors and thought leaders — people from every walk of life, from every part of the country, and in every income bracket. These are the people we must reach, by word and by act, in hundreds of different ways. Their cause is our cause, and they must be made to know it.

It is the plain and simple truth that business, like government, is dedicated to the general welfare. Business can succeed only as and to the extent that it contributes tangibly and measurably to the well-being of the people. To make this truth, this dedication, clear to all, and to conduct ourselves accordingly, is the ultimate responsibility of every businessman.

Chemical Milling Int. Common Stock Sold

Aetna Securities Corp. of New York and Miami Beach announced on May 5 that the sale of a new issue of 150,000 shares of Chemical Milling International Corp. common stock at a price of $2 per share has been completed. Cantor, Fitzgerald & Co., Inc. and V. K. Osborne & Sons, Inc., both of Beverly Hills, Calif., participated in the offering of the stock in the State of California.

Chemical Milling International Corp. intends to use the net proceeds from the sale of the stock to establish a plant in the Los Angeles, Calif., area.

The company was incorporated under the laws of the State of California in September 1958. The company plans to engage primarily in the business of chemical milling production to service manufacturers of aircraft and other products and their sub-contractors. The initial plant facilities are i n t e n d e d to accommodate large-scale operations in chemical milling of steel and aluminum alloys, and chemical milling under laboratory conditions of magnesium, titanium and a wide variety of newer, heat-resistant alloys. The company will also engage in sales-related activities such as conversion coating, phosphating and other types of metal finishing work.

With S. J. Dodge Co.

(Special to THE FINANCIAL CHRONICLE)

SHAWNO, Wis. — James F. Dodge is now with S. J. Dodge Co., 126 South Main Street. He was formerly with Bear, Stearns & Co. in Chicago.

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

Academy Life Insurance Co.
March 31 filed 310,000 shares of common stock (par 30 cents) to be offered for subscription by common stockholders on the basis of 0.525 shares of additional stock for each share held of record April 24, 1959 (for a 20-day standby). **Price**—To be supplied by amendment. **Proceeds**—For additional working capital. **Office**—405 Exchange National Bank Bldg., Denver, Colo. **Underwriters**—Boettcher & Co., Inc. and Bosworth, Sullivan & Co., Inc., both of Denver, Colo.

• **Adam Consolidated Industries, Inc. (5/15)**
March 30 filed $1,500,000 of convertible subordinated debentures, due 1974. **Price**—100% of principal amount. **Proceeds** — For general corporate purposes. **Office**—404 Fifth Ave., New York, N. Y. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo.

Advanced Research Associates, Inc.
Dec. 1 filed 400,000 shares of common stock (par five cents). **Price**—$6 per share. **Proceeds**—For research and development program; and for equipment and working capital. **Office** — 4130 Howard Ave., Kensington, Md. **Underwriters** — Wesley Zaugg & Co., Kensington, Md., and Williams, Widmayer Inc., Washington, D. C.

• **Agricultural Insurance Co.**
March 23 filed 132,000 shares of capital stock (par $10), being offered in exchange for stock of Anchor Casualty Co. at the rate of one Agricultural share for each Anchor common share (par $10) and 1 1/10 Agricultural shares for each share of Anchor $1.75 cumulative convertible preferred stock (par $10). The offer expires on May 23. **Office** — 215 Washington Street, Watertown, N. Y. **Underwriter**—None.

• **Airtek Dynamics, Inc. (5/13-14)**
March 27 filed 150,000 shares of common stock (no par). **Price**—$8 per share. **Proceeds**—For additional working capital and for repayment of bank and other loans. **Office** — 2222 South Figueroa Street, Los Angeles, Calif. **Underwriter**—S. D. Fuller & Co., New York.

Alaska Juneau Gold Mining Co.
Dec. 29 filed 640,660 outstanding shares of common stock, of which 300,000 shares are to be offered currently and the remaining 340,660 shares in the future. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—6327 Santa Monica Boulevard, Los Angeles, Calif. **Underwriter**—Lester, Ryons & Co., Los Angeles, Calif. No public offering expected.

Alaska Mines & Metals Inc.
Feb. 25 filed 1,431,200 shares of common stock (par $1), of which 1,000,000 shares are to be offered publicly and 431,200 shares are to be reserved for sale to the holders of 6% debentures due 1962 issued by DeCoursey-Brewis Minerals Ltd., the company's parent (payment for the shares by such debenture holders may be made by delivery of debentures at par plus interest with premium for Canadian exchange rate). Purchasers will receive common stock purchase warrants on all shares purchased for cash or for the 6% debentures of the parent at the rate of one for each five shares purchased. **Price**—$1.25 per share. **Proceeds**—For general corporate purposes and working capital. **Office**—423 Fourth Ave., Anchorage, Alaska. **Underwriter**—To be named by amendment.

• **Alberta Municipal Financing Corp. (Province of Alberta, Canada) (5/20-21)**
April 29 filed $50,000,000 of 25-year sinking fund debentures due May 15, 1984 (guaranteed principal and interest by the Province of Alberta) **Price**—To be supplied by amendment. **Proceeds**—To be used towards the purchase of securities of municipalities, cities, towns and villages within the Province. **Underwriters** The First Boston Corp. and Wood, Gundy & Co., Inc., both of New York.

Allied Publishers, Inc., Portland, Ore.
Nov. 28 (letter of notification) 22,000 shares of common stock (par $1). **Price**—$8.50 per share. **Proceeds**—For general corporate purposes. **Office**—665 S. Ankeny St. Portland 14, Ore. **Underwriter**—First Pacific Investment Corp., Portland, Ore.

★ **Allied Television Film Corp.**
April 26 (letter of notification) 150,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—Forworking capital. **Office** — 2700 Wilshire Boulevard, Los Angeles, Calif. **Underwriter**—Alkow & Co., Inc., Beverly Hills, Calif.

Alscope Explorations Ltd.
March 26 filed 1,000,000 shares of capital stock, of which 700,000 shares are to be offered publicly in the United States, and 300,000 shares in Canada. **Price**—Related to the then current market price on the Canadian Stock Exchange (31 cents per share on March 16). **Proceeds**—For properties, drilling costs, working capital and general corporate purposes. **Office** — 303 Alexandra Bldg., Edmonton, Canada. **Underwriter**—None in United States; Forget & Forget in Montreal, Canada.

American Asiatic Oil Corp.
Nov. 24 filed 100,000,000 shares of capital stock. **Price**—Two cents per share. **Proceeds**—To selling stockholders. **Office**—Magsaysay Building, San Luis, Ermita, Manila, Republic of Philippines. **Underwriter** — Gaberman & Hagedorn, Inc., Manila, Republic of Philippines.

American Buyers Credit Co.
Nov. 13 filed 5,000,000 shares of common stock, of which 4,545,455 shares of this stock are to be offered for public sale at $1.75 per share. [Shares have been issued or are issuable under agreements with various policy holders in American Buyers Life Insurance Co. and American Life Assurance Co. (both of Phoenix) permitting them to purchase stock at $1.25 per share. Sales personnel have been given the right to purchase stock at $1.25 per share up to the amount of commission they receive on stock sales made by them.] **Proceeds**—For the operation of other branch offices, both in Arizona and in other states. **Office**—2001 East Roosevelt, Phoenix, Ariz. **Underwriter**—None.

★ **American Commercial Barge Line Co. (5/25-29)**
April 30 filed 400,000 shares of common stock (par $3). **Price** — To be supplied by amendment. **Proceeds** — To selling stockholders. **Office**—Jeffersonville, Ind. **Underwriter**—F. Eberstadt & Co., New York.

American Growth Fund, Inc., Denver, Colo.
Nov. 17 filed 1,000,000 shares of capital stock (par one cent). **Price**—At market. **Proceeds**—For investment **Office**—800 Security Building, Denver, Colo. **Underwriter**—American Growth Fund Sponsors, Inc., 800 Security Bldg., Denver 2, Colo.

★ **American Home Products Corp.**
May 1 filed 180,000 shares of capital stock, as to which options have been or may in the future be granted to management and other key employees under the company's Stock Option Plan.

American Hospital Supply Corp.
April 20 filed 26,610 shares of common stock (par $2) to be offered in exchange for common stock of Massillon Rubber Co. on the basis of nine shares of American common for one share of Massillon common. **Office**—2020 Ridge Avenue, Evanston, Ill. **Underwriter**—None.

• **American Independent Reinsurance Co.**
March 25 filed 514,500 shares of common stock (par $1), offered for subscription by common stockholders at the rate of 1.4 new shares for each share held on April 23; rights to expire on May 11. **Price**—$4.15 per share. **Proceeds** — To increase capital and surplus. **Office**—307 S. Orange Avenue, Orlando, Fla. **Underwriters**—Francis I. du Pont & Co., Lynchburg, Va.; Goodbody & Co., St. Petersburg, Fla.; and The Johnson, Lane, Space Corp., Savannah, Ga.

American Investors Syndicate, Inc.
Feb. 24 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—50 cents per share. **Proceeds**—For operation of an apartment hotel. **Office** — 513 International Trade Mart, New Orleans 12, La. **Underwriter**—Assets Investment Co., Inc., New Orleans, Louisiana.

American M. A. R. C., Inc. (5/11-15)
April 13 filed 400,000 shares of common stock (par 50 cents). **Price**—To be supplied by amendment. **Proceeds**—For expansion and working capital. **Underwriters**—Auchincloss, Parker & Redpath, New York; and Wilson, Johnson & Higgins, San Francisco, Calif.

American Mutual Investment Co., Inc.
Dec. 17, 1957, filed 490,000 shares of capital stock. **Price**—$10.20 per share. **Proceeds** — For investment in first trust notes, second trust notes and construction loans. Company may develop shopping centers and build or purchase office buildings. **Office**—900 Woodward Bldg., Washington, D. C. **Underwriter**—None. Sheldon Magazine, 1201 Highland Drive, Silver Spring, Md., is President.

★ **American Petrofina, Inc.**
May 1 filed $450,000 of interests in the company's Thrift Plan for Employees of the company and certain of its subsidiaries, and $76,000 of interests in the company's Employees' Stock Plan, together with 52,600 shares of common stock (par $1) which may be acquired pursuant to the plans.

Amican Petroleum & Natural Gas Corp. Ltd.
March 23 filed 745,000 shares of capital stock (no par), of which 500,000 shares are to be sold for the account of the company, and 245,000 shares by the holders thereof. **Price**—30 cents per share. **Proceeds**—For exploration and development program. **Office** — 2100 Scarth Street, Regina, Saskatchewan, Canada. **Underwriter**—Cumberland Securities, Ltd., Regina, Canada.

• **American Telemail Service, Inc.**
Feb. 17, 1958, filed 375,000 shares of common stock (par $1). **Price**—$4 per share. **Proceeds**—To purchase equipment and supplies and for working capital and other corporate purposes. **Office**—Salt Lake City, Utah. **Underwriter**—Amos Treat & Co., Inc., New York, has withdrawn as underwriter. Change in Name — Formerly United States Telemail Service, Inc.

Armstrong Uranium Corp.
Jan. 16 (letter of notification) 3,000,000 shares of common stock (par one cent). **Price** — 10 cents per share **Proceeds**—For mining expenses. **Office**—c/o Hepburn T. Armstrong, Round Up Heights, Cheyenne, Wyo. **Underwriter**—Bruno-Lenchner, Inc., Pittsburgh, Pa.

Associated Bowling Centers, Inc.
Nov. 24 filed 300,000 shares of 20-cent cumulative convertible preferred stock (par one cent) and 50,000 outstanding shares of common stock (par one cent). The preferred shares are to be offered for public sale for the account of the company and the common shares will be offered for the account of a selling stockholder. **Price**—To be supplied by amendment. **Proceeds**—To acquire new Bowling centers and increase working capital (part to be used in defraying cost of acquisition of stock of owner of a Brooklyn (N.Y.) bowling center. **Office**—135 Front St., N Y. **Underwriter** — To be named by amendment. **Offering**—Expected in two weeks.

Associated Testing Laboratories, Inc. (5/20)
April 22 filed 166,666 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For capital expenditures and general corporate purposes, including working capital. **Office**—Caldwell, N. J. **Underwriter**—George, O'Neill & Co., Inc., New York.

• **Atlantic Research Corp. (5/18-22)**
March 31 filed 110,000 shares of common stock, of which 100,000 shares are to be offered publicly and 10,000 shares to employees under company's incentive plan. **Price** — To be supplied by amendment. **Proceeds** — To reduce short-term bank loans and to provide equipment for development and production of propellant rockets. **Office**—Alexandria, Va. **Underwriter**—Johnston, Lemon & Co., Washington, D. C.

Atlas Investment Co.
Feb. 3 filed 50,000 shares of common voting stock (par $10). **Price** — $25 per share. **Proceeds** — To purchase additional contribution certificates of Great Basin Insurance Co. **Office**—704 Virginia Street, Reno, Nev. **Underwriter**—None. Statement effective April 7.

Australian Grazing & Pastoral Co., Ltd.
Jan. 13 filed 4,000,000 shares of common stock. **Price**—At par (56¼ cents per share). **Proceeds**—To purchase cattle; for improvements; to buy additional ranch in Queensland, Australia; and for other corporate purposes. **Office**—1301 Avenue L, Cisco, Tex. **Underwriter**—None. Robert Kamon is President.

• **Automatic Cafeterias for Industry, Inc. (5/11-15)**
April 17 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For expansion, equipment and working capital. **Office**—450 Westbury Ave., Carle Place, L. I., N. Y. **Underwriter**—None.

Automatic Canteen Co. of America
March 2 filed 292,426 shares of common stock, of which, the company proposes to issue 126,072 shares to A.M.I. Inc. for the latter's property and assets, and the remaining 166,354 shares are to be issued upon the exercise of stock options. **Underwriter**—None. Statement effective March 31.

★ **Automation Instruments, Inc.**
April 27 (letter of notification) 4,584 shares of common stock. **Price**—$6 per share. **Proceeds**—To go to Lester, Ryons & Co. as securities fully and finally paid as an obligation of the company. **Office**—401 E. Green Street, Pasadena, Calif. **Underwriter**—None. No public offering planned.

• **Avnet Electronics Corp. (5/18-22)**
April 17 filed 175,000 shares of common stock, of which, 75,000 shares are to be offered for the account of certain selling stockholders. **Price**—$5.75 per share. **Proceeds**—To retire presently outstanding loans, and the balance will be used for working capital and other corporate purposes. **Offices**—70 State St., Westbury, L. I., N. Y., and 5877 Rodeo Road, Los Angeles, Calif. **Underwriters**—Michael G. Kletz & Co., Inc. and Amos Treat & Co., Inc., both of New York.

Ballard Aircraft Corp.
April 17 filed 300,000 shares of common stock (par $1). **Price** — $3.25 per share. **Proceeds** — To develop and manufacture aircraft embodying the body lift principle, etc. **Underwriter**—Weil & Co., Washington, D. C.

Baltimore Gas & Electric Co. (5/8)
April 17 filed $19,925,500 of convertible debentures due July 1, 1974 to be offered for subscription by common stockholders of record May 7, 1959, on the basis of $100 principal amount of debentures for each 35 shares of common stock then held; rights to expire on May 25. **Price**—To be supplied by amendment. **Proceeds**—To be used for general corporate purposes, including proposed construction expenditures, and to repay any outstanding temporary bank loans obtained for the same purposes. **Underwriter**—The First Boston Corp., New York.

Bankers Fidelity Life Insurance Co.
Feb. 28, 1958, filed 258,740 shares of common stock (par $1), of which 125,000 shares are to be offered publicly and 133,740 shares to employees pursuant to stock purchase options. **Price**—To public, $6 per share. **Proceeds**—For expansion and other corporate purposes. **Office**—Atlanta, Ga. **Underwriter**—None.

Bankers Preferred Life Insurance Co.
Jan. 30 (letter of notification) 100,000 shares of common stock (par $1.60). **Price**—$3 per share. **Proceeds**—For expenses incidental to operation of an insurance company. **Office**—Suite 619, E. & C. Bldg., Denver, Colo. **Underwriter**—Ringsby Underwriters, Inc., Denver 2, Colo.

Basic Atomics Inc.
March 5 filed 444,246 shares of common stock (par 10 cents). **Price**—At prevailing market price, in the Over-the-Counter Market. **Proceeds**—To selling stockholders. **Underwriter**—None.

Basic Materials, Inc.
April 9 (letter of notification) 1,200,000 shares of common stock (par 10 cents). **Price**—25 cents per share. **Proceeds**—For mining expenses. **Office**—c/o Harold A. Roberts, President, Arroyo Hondo, Santa Fe, N. Mex. **Underwriter** — Hyder, Rosenthal & Co., Albuquerque, N. Mex.

★ Benson-Lehner Corp.
May 4 filed 89,620 shares of common stock, of which 76,620 shares are to be offered for subscription by common stockholders of record April 30, 1959, on the basis of three new shares for each 10 shares then held. **Price**—$6.75 per share. The remaining 13,000 shares will be sold for account of selling stockholders. **Proceeds**—For additional working capital and other general corporate purposes, including research and development. **Office**—1860 Franklin St., Santa Monica, Calif. **Underwriter**—Bear, Stearns & Co., New York.

Billups Western Petroleum Co. (5/18-22)
April 1 filed $5,000,000 of 6% participating debentures due May 1, 1984 and 1,000,000 shares of common stock to be offered in units of $10 of debentures and two shares of stock which will not be transferable separately until Nov. 14, 1959. The company is also registering 50,000 shares of common stock, not included in the units, which will be offered to its employees. **Price**—In the neighborhood of $22 per unit. **Proceeds**—To be used in acquisition of substantially all the assets of 39 corporations and a partnership engaged in the operation of 195 gasoline stations in Mississippi, Texas, Louisiana, Alabama, Missouri, and Tennessee. **Underwriter**—The Johnson, Lane, Space Corp., Savannah, Ga.

Bridgehampton Road Races Corp.
Oct. 23 (letter of notification) 15,000 shares of common stock (par $1) to be offered for subscription by stockholders of record Nov. 1, 1958 on the basis of one new share for each four shares held; unsubscribed shares will be offered to current creditors in payment of all or part of claims, at the rate of one share for each $4 of claims discharged; rights to expire about two weeks after mailing of offer. **Price**—$4 per share. **Proceeds**—To pay current creditors. **Address** — P. O. Box-506, Bridgehampton, L. I., N. Y. **Underwriter** — None. **Offering**—Has been delayed.

Britalta Petroleums, Ltd.
March 30 filed 1,150,000 shares of capital stock of which 1,000,000 shares are owned by Wilshire Oil Co. of Texas stockholders and 150,000 shares are issuable upon exercise of share purchase warrants, exercisable on or before Dec. 31, 1960 at $5 per share. **Office**—630 Eighth Avenue, S. W., Calgary, Canada.

Brookridge Development Corp.
Dec. 19 (letter of notification) $200,000 of 6% 15-year convertible debentures. **Price**—At par ($500 per unit) **Proceeds**—For expansion and working capital. **Office**—901 Seneca Ave., Brooklyn 27, N. Y. **Underwriter** — Sano & Co., 15 William St., New York, N. Y.

• Buckeye Corp., New York
April 28 filed 192,039 shares of 5% convertible preferred stock, series A, (par $10) and 164,299 shares of common stock (par $1). All of the preferred shares and 99,299 shares of common stock will be issued in connection with certain acquisitions of businesses and assets; the other 65,000 common shares are reserved for issuance under Employee Restricted Stock Options. **Underwriter**—None.

★ Burndy Corp., Norwalk, Conn. (6/2)
May 5 filed 152,500 shares of common stock, of which 125,000 shares are to be offered for the account of the company and 27,500 shares for the account of selling stockholders. **Price** — To be supplied by amendment. **Proceeds**—For repayment of mortgage obligations; short-term bank borrowings; and for various other corporate purposes. **Underwriters** — Dominick & Dominick, New York; and Schwabacher & Co., San Francisco, Calif.

★ California Interstate Telephone Co. (5/25-29)
April 30 filed 150,000 shares of common stock (par $5). **Price** — To be supplied by amendment. **Proceeds** — To discharge current short-term bank borrowings and for construction program. **Office**—Victorville, Calif. **Underwriter**—William R. Staats & Co., Los Angeles, Calif.

Cemex of Arizona, Inc.
Nov. 17 (letter of notification) 300,000 shares of common stock (par 25 cents). **Price**—$1 per share. **Proceeds**—For working capital. **Address**—P. O. Box 1849, 3720 E 32nd Street, Yuma, Ariz. **Underwriter**—L. A. Huey Co., Denver, Colo.

Central Illinois Light Co. (5/13)
April 23 filed $10,038,700 of convertible debentures due 1974, to be offered for subscription by common stockholders of record May 12, 1959, on the basis of $100 of debentures for each 22 shares then held; rights to expire on May 27. **Price**—100% of principal amount. **Proceeds**—For construction program, including the repayment of short-term bank loans incurred for such purpose. **Underwriter**—Eastman Dillon, Union Securities & Co., New York.

Century Brick Corp. of America (5/11-15)
April 6 (letter of notification) 150,000 shares of common stock. **Price**—$2 per share. **Proceeds**—To be added to general funds of the company. **Office**—1020 G. Daniel Baldwin Building, 1005 State Street, Erie, Pa. **Underwriter**—Summit Securities, Inc., New York, N. Y.

Chadbourn Gotham, Inc.
March 26 filed $3,000,000 of 5.90% convertible subordinated debentures, due April 1, 1971 (with warrants to purchase 300,000 shares of common stock) being offered for subscription by common stockholders at the rate of $100 principal amount of debentures (with warrant for purchase of 10 shares) for each 68 common shares held as of record April 29, 1959; rights to expire on May 13, 1959. **Price** — At par. **Proceeds**—To provide additional working capital to finance the company's expanding business and will currently be applied to the reduction of short-term bank loans. **Underwriter**—R. S. Dickson & Co., Inc., Charlotte, N. C., and New York, N. Y.

Chattanooga Industrial Development Corp.
March 25 filed 37,500 shares of common stock. **Price**—$20 per share. **Proceeds**—For purchase and development of industrial properties and for working capital. **Office**—Chattanooga, Tenn. **Underwriter**—None.

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NEW ISSUE CALENDAR

May 8 (Friday)

Baltimore Gas & Electric Co. ______ Debentures
(Offering to stockholders—underwritten by The First Boston Corp.) $19,925,500

May 11 (Monday)

Adam Consolidated Industries, Inc. ______ Debentures
(Dempsey-Tegeler & Co.) $1,500,000

American M. A. R. C., Inc. ______ Common
(Auchincloss, Parker & Redpath and Wilson, Johnson & Higgins) 400,000 shares

Automatic Cafeterias for Industry, Inc. ______ Common
(Offering not underwritten) 100,000 shares

Century Brick Corp. of America ______ Common
(Summit Securities, Inc.) $300,000

Dalton Finance, Inc. ______ Debentures
(Paul C. Kimball & Co.) $500,000

DeJur-Amsco Corp. ______ Common
(H. M. Byllesby & Co., Inc.) $1,000,000

DeJur-Amsco Corp. ______ Common
(H. M. Byllesby & Co., Inc.) 225,000 shares

Di-Noc Chemical Arts, Inc. ______ Debentures
(Offering to stockholders—underwritten by Blair & Co., Inc.) $947,200

Echlin Manufacturing Co. of Connecticut, Inc. ______ Common
(Blair & Co., Inc.) 98,946 shares

General American Oil Co. of Texas ______ Debentures
(Blyth & Co., Inc.) $20,000,000

Magma Power Co. ______ Preferred & Common
(J. Barth & Co.) $6,300,000

Reon Resistor Corp. ______ Common
(Charles Plohn & Co.) $300,000

Southern Nevada Power Co. ______ Bonds
(Bids 9 a.m. PST) $5,500,000

May 12 (Tuesday)

Coastal States Life Insurance Co. ______ Common
(The Johnson, Lane, Space Corp. and Walston & Co.) 74,728 shares

El Paso Electric Co. ______ Common
(Offering to stockholders—underwritten by Stone & Webster Securities Corp.) 76,494 shares

Southwestern Electric Power Co. ______ Bonds
(Bids 10:30 a.m. CDT) $16,000,000

May 13 (Wednesday)

Airtek Dynamics, Inc. ______ Common
(S. D. Fuller & Co.) 150,000 shares

Central Illinois Light Co. ______ Debentures
(Offering to stockholders—may be underwritten by (Eastman Dillon, Union Securities & Co.) $10,038,700

Idaho Power Co. ______ Bonds
(Bids 11 a.m. EDT) $15,000,000

Marine Midland Corp. ______ Common
(Offering to stockholders—underwritten by The First Boston Corp.; Eastman Dillon, Union Securities & Co.; Hutton & Pomeroy, Inc. and Granbery, Marache & Co.) 465,000 shares

Potomac Electric Power Co. ______ Common
(Offering to stockholders—underwritten by Dillon, Read & Co. Inc. and Johnston, Lemon & Co.) 1,182,077 shares

May 14 (Thursday)

Chesapeake & Ohio Ry. ______ Equip. Trust Ctfs.
(Bids to be invited) $2,400,000

Tracerlab, Inc. ______ Common
(Lee Higginson Corp. and Estabrook & Co.) 100,000 shares

May 15 (Friday)

Florida Power Corp. ______ Common
(Offering to stockholders—underwritten by Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith, Inc.) 703,485 shares

May 18 (Monday)

Atlantic Research Corp. ______ Common
(Johnston, Lemon & Co.) 110,000 shares

Avnet Electronics Corp. ______ Common
(Michael G. Kletz & Co., Inc. and Amos Treat & Co., Inc.) $1,006,250

Billups Western Petroleum Co. ______ Debentures
(The Johnson, Lane, Space Corp.) $5,000,000

Crown Self-Service Stores, Inc. ______ Common
(Charles Plohn & Co.) $1,250,000

Glickman Corp. ______ Common
(Bache & Co.) $33,577,000

Lytle Corp. ______ Common
(Joseph Walker & Sons and Clark, Landstreet & Kirkpatrick, Inc.) $1,400,000

Miami Extruders, Inc. ______ Common
(Aetna Securities Corp. and Roman & Johnson) $525,000

New Hampshire Ball Bearings, Inc. ______ Common
(Kidder, Peabody & Co., Inc.) 126,000 shares

Precon Electronics Corp. ______ Common
(Charles Plohn & Co. and Netherlands Securities Co., Inc.) $875,000

Pioneer Plastics Corp. ______ Common
(Reynolds & Co., Inc.) 150,000 shares

May 19 (Tuesday)

El Paso Electric Co. ______ Bonds
(Bids 11 a.m. EDT) $3,500,000

El Paso Electric Co. ______ Preferred
(Bids 11 a.m. EDT) $2,000,000

Gulf States Utilities Co. ______ Common
(Bids to be invited) 250,000 shares

Interstate Power Co. ______ Preferred
(Kidder, Peabody & Co.) $4,000,000

May 20 (Wednesday)

Alberta Municipal Financing Corp. ______ Debens.
(The First Boston Corp. and Wood, Gundy & Co., Inc.) $50,000,000

Associated Testing Laboratories, Inc. ______ Common
(George, O'Neill & Co., Inc.) $499,998

Interstate Power Co. ______ Bonds
(Bids 11 a.m. EDT) $6,000,000

Levine's, Inc. ______ Common
(Kidder, Peabody & Co.) 110,000 shares

Telecomputing Corp. ______ Common
(Blyth & Co., Inc.) 500,000 shares

May 21 (Thursday)

Consolidated Electrodynamics Corp. ______ Debentures
(Offering to stockholders- underwritten by Blyth & Co., Inc.) $7,616,500

Consolidated Natural Gas Co. ______ Common
(Offering to stockholders—no underwriting) 821,256 shares

May 25 (Monday)

American Commercial Barge Line Co. ______ Common
(F. Eberstadt & Co.) 400,000 shares

California Interstate Telephone Co. ______ Common
(William R. Staats & Co.) 150,000 shares

Electronics Capital Corp. ______ Common
(Hayden, Stone & Co.) $12,000,000

Florida-Southern Land Corp. ______ Common
(Alkow & Co., Inc.) $4,000,000

Great American Realty Corp. ______ Class A Stock
(Louis L. Rogers Co. and Joseph Mandell Co.) 900,000 shares

Hermes Electronics Co. ______ Common
(C. E. Unterberg, Towbin & Co., Inc.) 150,000 shares

Investment Corp. of Florida ______ Common
(Aetna Securities Corp and Roman & Johnson) $1,237,500

Multi-Amp Electronic Corp. ______ Common
(G. Everett Parks & Co., Inc.) $298,500

Polarad Electronics Corp. ______ Common
(Kidder, Peabody & Co.) 100,000 shares

Poly Industries, Inc. ______ Common
(Van Alstyne, Noel & Co.) 200,000 shares

West Penn Power Co. ______ Bonds
(Bids noon EDT) $14,000,000

May 26 (Tuesday)

Consolidated Edison Co. of New York, Inc. ______ Bonds
(Bids 11 a.m. EDT) $75,000,000

Crucible Steel Co. of America ______ Preferred
(Offering to stockholders—underwritten by The First Boston Corp.) $9,988,500

Fleming Co., Inc. ______ Common
(White, Weld & Co.) 100,000 shares

May 27 (Wednesday)

National Steel Corp. ______ Bonds
(Kuhn, Loeb & Co.; Harriman Ripley & Co. Inc.; and The First Boston Corp.) $80,000,000

Packard-Bell Electronics Corp. ______ Common
(White, Weld & Co.) 120,000 shares

May 28 (Thursday)

Southern Electric Generating Co. ______ Bonds
(Bids 11 a.m. EDT) $25,000,000

May 29 (Friday)

Bank of Commerce, Washington, D. C. ______ Common
(Offering to stockholders) $300,000

June 1 (Monday)

Hirsch (P. N.) & Co. ______ Common
(Newhard, Cook & Co.) 132,500 shares

Investors Funding Corp. of New York ______ Debens.
(Offering not underwritten) $500,000

Narda Ultrasonics Corp. ______ Common
(Torpie & Saltzman) 20,000 shares

Nuclear Electronics Corp. ______ Common
(Charles Plohn & Co.) $750,000

June 2 (Tuesday)

Burndy Corp. ______ Common
(Dominick & Dominick and Schwabacher & Co.) 152,500 shares

Public Service Electric & Gas Co. ______ Debentures
(Bids to be invited) $50,000,000

Virginia Electric & Power Co. ______ Common
(Bids 11 a.m. EDT) 710,000 shares

June 3 (Wednesday)

Florida Power & Light Co. ______ Bonds
(Bids 11:30 a.m. EDT) $25,000,000

June 9 (Tuesday)

Duke Power Co. ______ Preferred
(Bids to be invited) $25,000,000

June 16 (Tuesday)

United Gas Improvement Co. ______ Bonds
(Bids to be invited) $10,000,000

June 23 (Tuesday)

Northern Illinois Gas Co. ______ Bonds
(Bids to be invited) $20,000,000

June 25 (Thursday)

Mississippi Power Co. ______ Bonds
(Bids to be invited) $5,000,000

July 22 (Wednesday)

Northern States Power Co. (Minn.) ______ Common
(Offering to stockholders—bids to be invited) 714,000 shares

September 10 (Thursday)

Georgia Power Co. ______ Bonds
(Bids to be invited) $18,000,000

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★ Civic Finance Corp.
May 1 filed 30,000 shares of common stock. Price—To be supplied by amendment. Proceeds—To provide additional working capital. Office—633 North Water Street, Milwaukee, Wis. Underwriters—Emch & Co. and The Marshall Co., both of Milwaukee, Wis.

Clute Corp.
Aug. 21 (letter of notification) 300,000 shares of common stock (par one cent). Price—$1 per share. Proceeds—To pay additional costs of construction; and for retirement of obligations and working capital. Office — c/o John Harlan Lowell, 2200 Kenton, Aurora, Colo. Underwriter—Lowell, Murphy & Co., Inc., Denver, Colo.

Coastal States Life Insurance Co. (5/12)
March 31 filed 74,728 shares of common stock (par $1.25). Price—To be supplied by amendment. Proceeds—To selling stockholders. Office—Atlanta, Ga. Underwriters—The Johnson, Lane, Space Corp. Savannah, Ga.; and Walston & Co., Inc., New York.

● Coil Winders, Inc.
April 7 (letter of notification) 150,000 shares of common stock (par 20 cents). Price—$2 per share. Proceeds—For machinery and equipment, to retire loans and notes; for research and development; and working capital. Business—Manufactures components for U. S. Government and the electronic industry. Office—40 New York Avenue, Westbury, N. Y. Underwriters—Bertner Bros. and Earl Edden Co., both of New York. Offering—Expected any date.

★ Colonial Energy Shares, Inc., Boston, Mass.
May 5 filed 1,100,000 shares of common stock. Price—At market. Proceeds—For investment. Underwriters—White, Weld & Co., New York, and Dean Witter & Co., Los Angeles, Calif.

Colorado Water & Power Co.
Feb. 25 (letter of notification) $220,000 of 6% unsecured debentures due April 1, 1964 and 1,100 shares of common stock (par $1) to be offered in units of $200 of debentures and one share of stock. Price — $205 per unit. Proceeds—For working capital. Office—Suite 421, 901 Sherman Street, Denver, Colo. Underwriter—Associated Securities 412 Main Street, Cedar Falls, Iowa.

Commerce Oil Refining Corp.
Dec. 16, 1957 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,00 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock Price—To be supplied by amendment. Proceeds — To construct refinery. Underwriter—Lehman Brothers, New York. Offering—Indefinite.

Commercial Investors Corp.
Nov. 28 (letter of notification) 900,000 shares of common stock. Price—At par (10 cents per share). Proceeds—For investment. Office—450 So. Main St., Salt Lake City, Utah. Underwriter—Earl J. Knudson & Co., Salt Lake City, Utah.

● Computer Systems, Inc.
April 21 (letter of notification) 100,000 shares of common stock (par 10 cents). Price—$3 per share. Proceeds—For working capital. Office — 611 Broadway, New York, N. Y. Underwriter—Adams & Peck, New York, N. Y. Offering—Postponed indefinitely.

★ Connelly Containers, Inc., Pencoyd, Pa.
May 6 filed 6,250 shares of common stock, to be issued pursuant to the company's salaried Employees Stock Purchase Plan for 1959.

Consolidated Edison Co. of New York (5/26)
April 24 filed $75,000,000 of first and refunding mortgage bonds, series P, due June 1, 1989. Proceeds—To retire short-term bank loans of $27,000,000, and also be used toward the cost of the company's construction program. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; The First Boston Corp. Bids—Expected to be received up to 11 a.m. (EDT) on May 26.

● Consolidated Electrodynamics Corp. (5/21)
April 29 filed $7,616,500 of convertible subordinated debentures due June 1, 1984, to be offered for subscription by common stockholders in the ratio of $100 debentures for each 14 shares of common held as of May 20; rights to expire on June 18. Price — To be supplied by amendment. Proceeds—To pay bank loans. Office—Pasadena, Calif. Underwriter — Blyth & Co., Inc., New York and San Francisco.

● Consolidated Natural Gas Co. (5/21)
April 28 filed 821,256 shares of capital stock to be offered on a 1-for-10 share basis to stockholders of record May 21, 1959; rights to expire on June 10. Price—To be supplied by amendment. Proceeds—Additions to Treasury funds and to finance construction. Underwriter—None.

Continental Tobacco Co., Inc.
April 2 (letter of notification) 100,000 shares of common stock (par 10 cents). Price—$1.25 per share. Proceeds—For general corporate purposes. Office—607-12th Avenue, Huntington, W. Va. Underwriter—Best Securities, Inc., New York.

Cree Mining Corp. Ltd.
April 17 filed 260,000 shares of common stock. Price—80 cents per share. Proceeds—For exploration program. Office—2100 Scarth St., Regina, Saskatchewan, Canada. Underwriter — Cumberland Securities Ltd., also of Regina.

Crowley's Milk Co., Inc.
March 26 filed 60,000 outstanding shares of common stock (par $20). Price— To be supplied by amendment. Proceeds—To selling stockholders. Office—145 Conklin Ave., Binghamton, N. Y. Underwriter—None.

● Crown Self-Service Stores, Inc. (5/18-22)
April 10 filed 250,000 units, each unit consisting of one share of common stock and two common stock purchase warrants. Price—$5 per unit. Proceeds—For establishment of proposed new stores, to pay accounts payable (trade), to be applied to extinguish long- and short-term loans, and the balance to increase working capital. Office—368 E. 87th Street, Chicago, Ill. Underwriter—Charles Plohn & Co., New York.

★ Crucible Steel Co. of America (5/26)
May 4 filed 99,885 shares of cumulative convertible preferred stock (par $100) to be offered for subscription by common stockholders of record May 26, 1959, on the basis of one share of convertible preferred stock for each 38 shares of common stock held; rights to expire on June 9. Price—At $100 per share. (flat). Proceeds—For expansion program. Underwriter—The First Boston Corp., New York.

Cryogenic Engineering Co.
Sept. 22 (letter of notification) 150,000 shares of class A common stock (par 10 cents). Price—$2 per share. Proceeds — For repayment of loan; purchase of plant and office equipment; raw materials and supplies; and for working capital, etc. Office—U. W. National Bank Bldg. 1740 Broadway, Denver, Colo. Underwriter—L. A. Huey Denver, Colo.

Cycon, Inc.
March 25 (letter of notification) 300,000 shares of common stock (par 10 cents). Price—$1 per share. Proceeds—For working capital. Office—Mearns Bldg., 142-148 N. Washington Ave., Scranton, Pa. Underwriter—Sano & Co., New York, N. Y.

● Dalton Finance, Inc. (5/11-15)
March 9 filed $500,000 of 7% subordinated debentures, due Jan. 2, 1974, with attached warrants for the purchase of 100,000 shares of class A common stock. Price—At face amount (in units of $500 each). Proceeds—To finance making of additional loans and to reduce short-term debt. Office—3800-34th St., Mt. Rainier, Md. Underwriter—Paul C. Kimball & Co., Chicago, Ill., on a best efforts basis.

D. C. Transit System, Inc. (Del.)
March 23 filed 350,000 outstanding shares of class A common stock (par 20 cents) being offered by Trans Caribbean Airways, Inc., which owns all of this stock, to the holders of its outstanding class A stock, and holders of its outstanding 5½% convertible subordinated debentures of record April 22, on the basis of one share of class A stock for each three shares of the class A stock of Trans Caribbean which such holders either hold as stockholders or to which they are entitled upon conversion of their debentures (with an oversubscription privilege); rights to expire on May 22. Employees of Trans Caribbean and its subsidiaries will have the right to purchase up to 100,000 of the said 350,000 shares. Price—$10 per share. Proceeds—To selling stockholder. Offices—160 Central Park South, New York 19, N. Y., and 3600 M St., N. W., Washington, D. C. Underwriter—None.

● DeJur-Amsco Corp. (5/11-15)
March 31 filed 225,000 shares of class A stock (par $1). Price—To be supplied by amendment. Proceeds — To selling stockholders. Underwriter—H. M. Byllesby & Co., Inc., New York and Chicago.

● De Jur-Amsco Corp. (5/11-15)
March 31 filed $1,000,000 of convertible subordinated debentures due 1974. Price—To be supplied by amendment. Proceeds — To retire mortgage loans and bank notes and to provide additional working capital and for general corporate purposes. Underwriter—H. M. Byllesby & Co., Inc., New York and Chicago.

Derson Mines Ltd.
June 5 filed 350,000 shares of common stock. Price—$ per share. Proceeds—For new equipment, repayment of loan, acquisition of properties under option, and other corporate purposes. Office—Toronto, Canada, and Emporium, Pa Underwriter—None

★ Development Corp. of America
April 30 filed 1,376,716 shares of common stock (par $1) reserved for issuance upon conversion of shares of the company's $1.25 cumulative convertible preferred stock received by DCA common stockholders in connection with the recently consummated merger of Real Estate Equities, Inc., into DCA and the plan of reorganization consummated in connection therewith.

● Di-Noc Chemical Arts, Inc. (5/11-15)
April 8 filed $947,200 of 5½% convertible subordinated debentures, due May 15, 1971, to be offered for subscription by common stockholders in the ratio of $100 of debentures for each 30 common shares held on April 28, 1959; rights to expire on or about May 14. Price—To be supplied by amendment. Proceeds—For plant expansion and working capital. Underwriter—Blair & Co. Inc., New York.

DIT-MCO, Inc.
April 15 filed 30,000 outstanding shares of common stock. Price—$10.50 per share. Proceeds—To selling stockholders. Office—911 Broadway, Kansas City, Mo. Underwriter—Midland Securities Co., Inc., Kansas City, Mo.

Diversified Inc., Amarillo, Texas
Jan. 6 filed 300,000 shares of common stock (par 50 cents). Price—$3 per share. Proceeds—For acquisition of undeveloped real estate, for organization or acquisition of consumer finance business, and balance to be used for working capital. Underwriter — Investment Service Co Denver Colo on a best efforts basis.

★ Dorr-Oliver Inc., Stamford, Conn.
May 5 filed $199,655 interest in the company's Profit Sharing Trust and Investment Plan, together with 11,871 shares of common stock which may be acquired pursuant to the plan. Purpose of plan is to complement the company's salaried employees retirement plan.

Echlin Manufacturing Co. of Connecticut, Inc. (5/11-15)
April 21 filed 98,946 shares of common stock, of which 22,500 shares are to be offered for the company's account, and the remainder for selling stockholders. Price—To be supplied by amendment. Proceeds—To construct plant and for general corporate purposes. Office—Branford, Conn. Underwriter—Blair & Co., Inc., New York.

Eckert Mineral Research, Inc.
March 27 (letter of notification) 150,000 shares of common stock (par 50 cents). Price—$2 per share. Proceeds—For mining and selling of ore. Office—110 E. Main St., Florence, Colo.. Underwriter—Harris Securities Corp., New York, N. Y.

El Paso Electric Co. (5/19)
April 16 filed $3,500,000 of first mortgage bonds due 1989. Proceeds—To retire outstanding short-term notes, and for 1959 construction program. Underwriters—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Stone & Webster Securities Corp.; Kidder, Peabody & Co.; White, Weld & Co. and Shields & Co. (jointly) Equitable Securities Corp. and R. W. Pressprich & Co. (jointly). Bids—To be received up to 11 a.m. (EDT) on May 19 at 90 Broad Street, New York, N. Y.

El Paso Electric Co. (5/19)
April 16 filed 20,000 shares of cumulative preferred stock (no par). Proceeds—To retire outstanding short-term notes, and for 1959 construction program. Underwriter — To be determined by competitive bidding. Probable bidders: Eastman Dillon, Union Securities & Co.; Salomon Bros. & Hutzler; Kidder, Peabody & Co., and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith. Bids—To be received up to 11 a.m. (EDT) on May 19 at 90 Broad Street, New York, N. Y.

El Paso Electric Co. (5/12)
April 16 filed 76,494 shares of common stock (par $5) to be offered to common stockholders of record May 11, 1959, on the basis of one new share for each 25 shares of common stock then held (with an oversubscription privilege); rights to expire on May 26. Price — To be supplied by amendment. Proceeds—To retire outstanding short-term notes, and for 1959 construction program. Dealer-Manager — Stone & Webster Securities Corp., New York.

Electric City Supply Co.
April 6 (letter of notification) 300,000 shares of class A common stock (par 25 cents). Price—$1 per share. Proceeds—For inventory, equipment, working capital, etc. Office—901 S. Lake Street, Farmington, N. Mex. Underwriter—Investment Service Co., Denver, Colo.

★ Electro-Mechanical Specialties Co., Inc.
April 27 (letter of notification) 100,000 shares of capital stock (par 20 cents). Price—$3 per share. Proceeds—To pay in full a current debt of the company to Joseph Goodman and for additional working capital. Office—743 W. 39th Street, Banning, Calif. Underwriter—Myron A. Lomasney & Co., New York, N. Y.

● Electro Networks, Inc.
April 2 (letter of notification) 100,000 shares of common stock (par 10 cents). Price—$2.70 per share. Proceeds — To purchase test equipment, and for general working capital. Office—1920 Park St., Syracuse, N. Y. Underwriter — Charles Plohn & Co., New York, N. Y. Offering—Expected momentarily.

● Electronics Capital Corp. (5/25-29)
April 27 filed 1,200,000 shares of common stock. Price—$10 per share. Proceeds — For investment. Office—San Diego, Calif. Underwriter — Hayden, Stone & Co., New York.

Emerite Corp.
Jan. 19 (letter of notification) 250,000 shares of series 3 common stock (no par) to be offered for subscription by stockholders on the basis of one share of series 3 stock for each three shares of series 1 and/or series 2 common stock held; unsubscribed shares to other stockholders. Rights expire 30 days from offering date. Price—$1 per share. Proceeds—For working capital. Office—333 S. Farish Street, Jackson, Miss. Underwriter—None.

Empire Millwork Corp., Corona, N. Y.
April 17 filed 95,000 outstanding shares of common stock. Price — $10.25 per share. Proceeds — To selling stockholders. Underwriter—None.

Equity Annuity Life Insurance Co.
April 21 filed $1,000,000 of Variable Annuity Policies. Price—No less than $120 a year for annual premium contracts and no less than $1,500 for single premium contracts. Proceeds—For investment, etc. Office—2480 16th Street, N. W., Washington, D. C. Underwriter—None.

● Eurofund, Inc.
Feb. 26 filed 2,500,000 shares of common stock (par $1) (subsequently amended to 1,250,000 shares). Proceeds—For investment. Office—14 Wall St., New York. Underwriter—Glore, Forgan & Co., New York. Offering—Expected today (May 7).

Federated Corp. of Delaware
Dec. 29 filed $918,000 of 6% convertible subordinated debentures due 1968. The company proposes to offer $210,000 of the debentures to purchase the capital stock of Consumers Time Credit, Inc., a New York company; $442,000 of the debentures in exchange for Consumers debentures; and $226,000 of the debentures in exchange for the outstanding 12% debentures of three subsidiaries

of Federated. **Office**—1 South Main Street, Port Chester, N. Y. **Underwriter**—None.

Federated Finance Co.
Nov. 17 (letter of notification) $300,000 of 10-year 6% senior subordinated debentures. **Price**—At par (in denominations of $1,000 each). **Proceeds** — For working capital, to make loans, etc. **Office**—2104 "O" St., Lincoln, Neb. **Underwriters** — J. Cliff Rahel & Co. and Eugene C. Dinsmore, Omaha, Neb.

★ **Fidelity Trend Fund, Inc., Boston, Mass.**
May 1 filed 50,000 shares of capital stock. **Price**—At net asset value. **Proceeds**—For investment. **Investment-Manager**—Fidelity Management & Research Co., Boston, Mass. **Agent**—Crosley Corp., Boston, Mass. **Offering**—To be made within organization.

Finance For Industry, Inc.
Dec. 16 filed 200,000 shares of class A common stock. **Price**—At par ($1.50 per share). **Proceeds**—For working capital. **Office**—508 Ainsley Bldg., Miami, Fla. **Underwriter** — R. F. Campeau Co., Penobscot Bldg., Detroit, Mich.

★ **Fleming Co., Inc., Topeka, Kan. (5/26)**
May 1 filed 100,000 shares of common stock (par $5), of which 75,000 shares are to be offered for the account of the company, and 25,000 shares for the account of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Business**—Distributor of food products. **Underwriter**—White, Weld & Co., New York.

Florida Builders, Inc.
Dec. 1 filed $4,000,000 of 6% 15-year sinking fund subordinated debentures and 40,000 shares of common stock, to be offered in units of $100 principal amount of debentures and one share of common stock. **Price** — $110 per unit. **Proceeds**—For purchase and development of subdivision land, including shopping site; for new equipment and project site facilities; for financing expansion program; and for liquidation of bank loans and other corporate purposes. **Office**—700 43rd St., South, St. Petersburg, Fla. **Underwriter**—None.

Florida Power Corp. (5/15)
April 16 filed 703,485 shares of common stock (par $2.50) to be offered for subscription by common stockholders of record May 14, 1959, on the basis of one new share for each 12 shares of common stock then held (with an oversubscription privilege); rights to expire on June 3, 1959. **Price**—To be supplied by amendment. **Proceeds**—To pay off $7,000,000 of temporary bank loans, which were incurred to meet construction expenditures, and the balance will be applied to the 1959 construction program. **Underwriters**—Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc., both of New York.

Florida-Southern Land Corp. (5/25)
April 13 filed 2,000,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For construction of motel units and other facilities. **Office** — Tom's Harbor, Fla. **Underwriter**—Alkow & Co., Inc., New York.

Fluorspar Corp. of America
Feb. 5 (letter of notification—as amended) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For mining expenses. **Office**—4334 S. E. 74th Ave., Portland 6, Ore. **Underwriter**—Evergreen Securities, Inc., 4314 N. E. 96th Ave., Portland, Ore.

★ **Food Fair Properties Development Inc.**
May 5 filed together with Food Fair Properties Inc. (1) $7,500,000 of 25-year collateral trust bonds, due May 15, 1984 of Food Fair Properties Development, Inc. and (2) 7,500 warrants for the purchase of 750,000 shares of common stock of Food Fair Properties. It is proposed to offer these securities in units each consisting of $1,000 principal amount of the bonds and a warrant to purchase 100 common shares. **Price**—$1,000 per unit. **Proceeds** — To be used for loans to subsidiaries. **Office**—Philadelphia, Pa. **Underwriter**—May be Eastman Dillon, Union Securities & Co., New York.

★ **Food Fair Properties, Inc.**
See Food Fair Properties Development Inc., above.

Foundation Investment Corp., Atlanta, Ga.
Jan. 13 filed 231,988 shares of common stock to be offered for subscription by stockholders; unsold portion to be offered publicly. **Price**—$12.50 per share. **Proceeds**—To repay notes. **Office**—515 Candler Bldg., Atlanta, Ga. **Underwriter**—None. Statement effective April 2.

● **General American Oil Co. of Texas (5/11-15)**
April 23 filed $20,000,000 of subordinated debentures, due May 1, 1984 (convertible). **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including repayment of some $2,500,000 of bank loans; and for additional working capital. **Office**—Meadows Bldg., Dallas, Tex. **Underwriter**—Blyth & Co., Inc., New York.

General Aniline & Film Corp., New York
Jan. 14, 1957 filed 426,988 shares of common A stock (no par) and 1,537,500 shares of common B stock (par $1) **Proceeds**—To the Attorney General of the United States **Underwriter**—To be determined by competitive bidding Probable bidders: Blyth & Co., Inc., and The First Boston Corp. (jointly); Kuhn, Loeb & Co.; Lehman Brothers, and Glore, Forgan & Co. (jointly). **Bids**—Had been scheduled to be received up to 3:45 p.m. (EDT) on May 13 at Room 654, 101 Indiana Ave., N. W., Washington 25, D. C., but bidding has been postponed.

General Builders Corp., New York
Feb. 26 filed $2,131,000 of 6% subordinated debentures, due April 30, 1963, with detachable warrants to purchase 213,100 shares of common stock (each $100 debenture will be accompanied by a warrant for the purchase for cash of 10 common shares at $3 per share at any time beginning Oct. 30, 1959 to and including April 30, 1969). The company is offering holders of its outstanding common stock and its outstanding cumulative preferred stock of record April 8, 1959, the right to subscribe to a total of $1,631,000 of the debentures with warrants. The remaining $500,000 of debentures with warrants are being sold to a group of purchasers (who are also stockholders of the company) who have agreed also to purchase certain additional amounts of debentures with warrants if subscription rights are not exercised in at least the amount of $500,000. Subscription warrants will expire on May 11, 1959. **Price** — $100 per unit. **Proceeds** — To repay promissory notes, and the balance, if any, will be added to working capital, to be used in part to reimburse the company's treasury for payments made upon the acquisition of land and as working capital for such building projects as the company may undertake. **Office**—2413 Third Ave., New York, N. Y. **Underwriter**—None. Statement effective April 2.

● **General Merchandising Corp., Memphis, Tenn.**
Feb. 18 filed 250,000 shares of class "A" common stock (par one cent). **Price**—$10 per share. **Proceeds**—For working capital and general corporate purposes. **Underwriter** — Union Securities Investment Co., Memphis, Tenn. Statement effective April 24.

General Underwriters Inc.
April 6 (letter of notification) 225,000 shares of common capital stock (par 25 cents). Of the total, 195,000 shares are to be offered for the account of the company and 30,000 shares for a selling stockholder. **Price**—$1 per share. **Proceeds**—For furniture inventory and improved merchandising methods, to finance the real estate department and insurance policy loans. **Office**—211-215 Pine St., Pine Bluff, Ark. **Underwriter**—Lovan Securities Co., Inc., Pine Bluff, Ark.

General Waterworks Corp.
March 31 filed 16,131 shares of $5 voting preferred stock (par $100) and 66,131 shares of 80-cent dividend voting second preferred stock (convertible—par $1). The company proposes to offer one share of the 80-cent dividend second preferred stock for each share of New Rochelle Water Co. and one share of its $5 preferred and one share of the 80-cent dividend second preferred for each share of New Rochelle $3.50 preferred (including accumulated unpaid dividends from November, 1950). The offer is conditioned upon acceptance by holders of 80% of New Rochelle stock. **Office**—3219 Philadelphia Pike, Claymont, Del.

● **Glickman Corp. (5/18-22)**
March 13 filed 3,357,700 shares of common stock. **Price**—$10 per share. **Proceeds** — For properties, furniture, fixture and leasehold improvements and other expenses. **Office**—565 Fifth Ave., New York, N. Y. **Underwriter**—Bache & Co., New York, N. Y.

Glide Control Corp.
April 10 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For manufacture, marketing and distributing of automatic throttle control devices for motor vehicles. **Office**—1608 Centinela Blvd., Inglewood, Calif. **Underwriter**—Reilly, Hoffman & Co., Inc., New York.

Government Employees Variable Annuity Life Insurance Co.
Nov. 13 filed 2,500,000 shares of common stock (par $1) to be offered by company viz: (1) to holders of common stock (par $4) of Government Employees Insurance Co., on the basis of one warrant per share of stock held (1,334,570 shares are now outstanding); (2) to holders of common stock (par $1.50) of Government Employees Life Insurance Co., on the basis of 1½ warrants per share of stock held (216,429 shares are now outstanding); and (3) to holders of common stock (par $5) of Government Employees Corp., on the basis of ½ warrant per share of stock held (as of Dec. 31, 1958 there were 143,703 shares of stock outstanding and $589,640 of 5% convertible capital debentures due 1967, convertible into shares of common at $28.0374 per share. If all these debentures were converted into common stock prior to the record date, a total of 164,733 common shares would be outstanding. **Price**—$3 per share. **Proceeds**—For capital and surplus. **Office**—Government Employees Insurance Bldg., Washington, D. C. **Underwriters** — Johnston, Lemon & Co., Washington, D. C.; Eastman Dillon, Union Securities & Co., New York; and Abacus Fund, Boston, Mass. **Offering**—Indefinitely postponed.

● **Great American Realty Corp. (5/25-29)**
March 30 filed 900,000 shares of class A stock (par 10 cents). **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Office**—15 William Street, New York. **Underwriter** — Louis L. Rogers Co. and Joseph Mandell Co., both of New York.

Growth Fund of America, Inc.
Feb. 4 filed 250,000 shares of common stock (par 10 cents). **Price**—At market. **Proceeds**—For investment. **Office** — 1825 Connecticut Avenue, Washington, D. C. **Investment Advisor** — Investment Advisory Service, Washington, D. C. **Underwriter**—Investment Management Associates, Inc., Washington, D. C.

Gulf States Utilities Co. (5/19)
April 17 filed 250,000 shares of common stock (no par). **Proceeds**—To be used for the repayment of short-term notes, and the balance to carry forward the company's construction program and for other corporate purposes. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith, Inc. and Lehman Brothers (jointly); The First Boston Corp.; Carl M. Loeb, Rhoades & Co.; Stone & Webster Securities Corp. **Bids**—Expected to be received up to noon (EDT) on May 19 at The Hanover Bank, 70 Broadway, New York 15, N. Y.

Halex, Inc.
April 2 (letter of notification) $70,000 of four-year 5% debentures, 2,300 shares of 4% preferred stock (par $10) and 10,000 shares of common stock (par $1). **Price**—Of debentures, at face amount (in denominations of $100); of stock, both at par. **Proceeds**—For fixed assets and working capital. **Office**—310 E. Imperial Highway, El Segundo, Calif. **Underwriter**—None.

Hellegen Products, Inc.
Oct. 22 (letter of notification) 28,800 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—For payment of past due accounts and loans and general working capital. **Office** — 35-10 Astoria Blvd., L. I. C. 3, N. Y. **Underwriter**—Albion Securities Co., Suite 1512, 11 Broadway, New York 4, N. Y.

★ **Hemisphere Gas & Oil Corp.**
April 27 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For development of oil and gas properties. **Office**—702 American Bank Building, Portland 5, Ore. **Underwriter**—D. Earle Hensley Co., Inc., 4444 California Avenue, Seattle, Wash.

★ **Hercules Powder Co.**
April 30 filed 450,000 shares of common stock (par $2 1/12). The shares being registered include (a) shares which are being offered or are to be offered from time to time by the company to certain executives and key employees of the company and its subsidiaries pursuant to the terms of the company's Stock Option Plan and (b) shares heretofore purchased or to be purchased by optionees under the plan upon the exercise of options, which shares may be resold by such persons to the public from time to time.

● **Hermes Electronics Co. (5/25-29)**
April 29 filed 150,000 shares of common stock. The statement also includes 36,755 shares of common stock issuable upon the exercise of options; and 147,564 shares issuable upon the exercise of rights of holders of $5 cumulative preferred stock to convert such stock; 20,000 shares issuable upon the exercise of rights of holders of 5% 10-year sinking fund debentures due 1965 to convert such debentures, and 734,374 of presently outstanding shares which may be offered by holders thereof. **Name Change**—This company was formally known as Hycon Eastern, Inc. **Price**—To be supplied by amendment. **Proceeds**—To be used in part towards the prepayment of notes and balance to be used for general corporate purposes. **Office**—Cambridge, Mass. **Underwriter**—C. E. Unterberg, Towbin & Co., New York, will underwrite the 150,000 shares of common.

Hickerson Bros. Truck Co., Inc.
March 11 (letter of notification) 285,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To pay existing liabilities; for additional equipment; and for working capital. **Office**—East Tenth Street, P. O. Box 68, Great Bend, Kan. **Underwriter**—Birkenmayer & Co., Denver, Colo.

Highway Trailer Industries, Inc.
Nov. 24 filed 473,000 outstanding shares of common stock (par 25 cents). **Price**—At prices generally prevailing on the American Stock Exchange. **Proceeds** — To selling stockholders. **Office** — 250 Park Avenue, N. Y. **Underwriter**—None.

● **Hirsch (P. N.) & Co., St. Louis, Mo. (6/1-5)**
April 29 filed 132,500 outstanding shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Underwriter**—Newhard, Cook & Co., St. Louis, Mo.

Hoffman Motors Corp.
March 9 filed 260,000 shares of common stock (par $1), of which 250,000 shares are to be publicly offered and 10,000 shares to officers and employees. **Price**—$10 per shares to public; $9 to employees. **Proceeds**—To selling stockholder. **Underwriter** — For public offering: Van Alstyne, Noel & Co., New York. **Offering**—Postponed indefinitely.

Home-Stake Production Co., Tulsa, Okla.
Nov. 5 filed 116,667 shares of common stock (par $5). **Price**—$6 per share. **Proceeds**—For working capital and general corporate purposes. **Office** — 2202 Philtower Bldg., Tulsa, Okla. **Underwriter**—None.

Idaho Power Co. (5/13)
April 1 filed $15,000,000 of first mortgage bonds due 1989. **Proceeds**—To be used for partial payment of short-term bank loans made for construction of new operating facilities. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; Lazard Freres & Co. and The First Boston Corp. (jointly); Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith, Inc.; Equitable Securities Corp.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Bids**—Expected to be received up to 11 a.m. (EDT) on May 13.

Imperial Growth Fund, Inc.
March 2 filed 600,000 shares of common stock. **Price**—At market. **Proceeds** — For investment. **Office** — 60 Marquette Ave., Minneapolis, Minn. **Underwriter** — Minneapolis Associates, Inc., Minneapolis, Minn.

Industrial Minerals Corp., Washington, D. C.
July 24 filed 600,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—To develop and operate graphite and mica properties in Alabama. **Underwriters**—Dearborn & Co. and Carr-Rigdom & Co., both of Washington, D. C., on a best efforts basis. Statement effective Nov. 18.

Information Systems, Inc., Skokie, Ill.
April 21 filed 170,000 shares of common stock to be offered for subscription by common stockholders of Panellit, Inc., at rate of one new share for each three Panellit common shares held of record May 15, 1959. **Price**—$3.50 per share. **Proceeds**—To pay notes, for research and de-

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velopment costs; and working capital. **Underwriter**—None.

International Bank, Washington, D. C.
Dec. 29 filed $5,000,000 of notes (series B, $500,000, two-year, 3% per unit; series C, $1,000,000, four-year 4% per unit; and series D, $3,500,000, 6-year, 5% per unit). **Price**—100% of principal amount. **Proceeds** — For working capital. **Underwriter**—Johnston, Lemon & Co., Washington, D. C. **Offering**—Indefinitely postponed.

International Railroads Weighing Corp.
April 16 (letter of notification) 82,626 shares of common stock (par $1) to be offered for subscription by common stockholders at rate of one new share for each four shares held. **Price**—$3 per share. **Proceeds** — For research and development costs and working capital. **Office**—415 Spruce St., Hammond, Ind. **Underwriter**—None.

International Tuna Corp.
April 3 (letter of notification) 175,000 shares of class A common stock (par 50 cents). **Price** — $1 per share. **Proceeds**—For equipment and working capital. **Office**—Pascagoula, Miss. **Underwriter**—Gates, Carter & Co., Gulfport, Miss.

Interstate Power Co. (5/20)
April 7 filed $6,000,000 of first mortgage bonds due 1989. **Proceeds** — To repay bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc. and Salomon Bros. & Hutzler (jointly); Merrill Lynch, Pierce, Fenner & Smith, Inc.; Kidder, Peabody & Co. and Lehman Brothers (jointly); White, Weld & Co. **Bids** — Expected to be received up to 11 a.m. (EDT) on May 20.

● **Interstate Power Co. (5/19)**
April 7 filed 80,000 shares of cumulative preferred stock (par $50). **Price**—To be supplied by amendment. **Proceeds**—For construction program. **Underwriter**—Kidder, Peabody & Co., New York.

★ **Investment Co. of America, Los Angeles, Calif.**
May 1 filed (by amendment) an additional 2,000,000 shares of common stock. **Price**—At market. **Proceeds**—For investment.

Investment Corp. of Florida (5/25-29)
April 13 filed 275,000 shares of common stock. **Price**—$4.50 per share. **Proceeds**—For acquisition and development of land in Florida. **Office** — 1750 East Sunrise Boulevard, Fort Lauderdale, Fla. **Underwriters**—Aetna Securities Corp., New York; and Roman & Johnson, Fort Lauderdale, Fla.

Investors Commercial Corp.
April 6 filed 105,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — 180 W. Randolph St., Chicago, Ill. **Underwriter**—Paul C. Kimball & Co., Chicago, Ill.

● **Investors Funding Corp. of New York (6/1)**
Feb. 17 filed $500,000 of 10% subordinated debentures due July 31, 1964, to be offered in units of $1,000. **Price**—At 100% of principal amount. **Proceeds**—For investment. **Office**—511 Fifth Ave., New York, N. Y. **Underwriter**—None.

Irando Oil & Exploration, Ltd.
April 24 filed 225,000 shares of common stock. **Price**—90 cents per share. **Proceeds**—To defray the costs of exploration and development of properties and for the acquisition of other properties; also for other corporate purposes. **Office**—1950 Broad St., Regina, Sask., Can. **Underwriter** — Laird & Rumball, Regina, Sask., Can.

● **Island Cottages, Inc.**
April 21 (letter of notification) 10,000 shares of preferred stock (par $5) to be offered in units of 20 shares each. **Price**—$100 per unit. **Proceeds**—To go to the company. **Underwriter**—None.

● **Krupp Manufacturing Co.**
April 3 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$1.25 per share. **Proceeds**—To selling stockholders. **Office** — 4th & Mill Streets, Quakertown, Pa. **Underwriters**—Hallowell, Sulzberger, Jenks, Kirkland & Co. and Woodcock, Hess, Moyer & Co., Inc., both of Philadelphia, Pa. **Offering**—Expected this week.

Laure Exploration Co., Inc., Arnett, Okla.
Dec. 23 filed 400,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For machinery and equipment and exploration purposes. **Underwriter**—None.

● **Lefcourt Realty Corp.**
Jan. 29 filed 3,492,000 shares of common stock, of which 2,622,000 shares were issued in exchange for all of the common stock of Desser & Garfield, Inc., and D. G & R., Inc.; 750,000 shares will be used for the exercise of an option by the company to purchase from Big Mound Trail Corp. some 3,784.9 acres of land on or before June 15, 1959; and the remaining 120,000 shares were sold for the account of a selling stockholder during April, 1959. **Underwriter**—None.

● **Levine's, Inc., Dallas, Texas (5/20)**
April 24 filed 110,000 shares of common stock (par $4), of which 60,000 shares will be sold for the company's account and 50,000 shares for the account of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds of the company and will be spent for inventory, equipment, fixtures and other initial costs of three new stores, and the balance of the proceeds will be used to acquire and establish new stores. **Underwriter**—Kidder, Peabody & Co., New York.

Lorain Telephone Co.
Feb. 11 (letter of notification) 1,562 shares of common stock (no par) to be offered for subscription by stockholders at the rate of one new share for approximately each 75.1729 shares held at the close of business on March 17, 1959; rights to expire on May 15, 1959. **Price**—$32 per share. **Proceeds**—To reimburse the treasury. **Office**—203 W. Ninth St., Lorain, Ohio. **Underwriter**—None.

LuHoc Mining Corp.
Sept. 29 filed 350,000 shares of common stock. **Price**—$1 per share. **Proceeds** — For the acquisition of properties under option and for various geological expenses, test drilling, purchase of equipment, and other similar purposes. **Offices**—Wilmington, Del., and Emporium, Pa. **Underwriter**—None.

● **Lytle Corp. (5/18-22)**
April 16 filed 100,000 shares of common stock. **Price**—At a maximum price of $14 per share. **Proceeds**—To retire bank loans and for general working capital. **Underwriters**—Joseph Walker & Sons, New York; and Clark, Landstreet & Kirkpatrick, Inc., Nashville, Tenn.

Magma Power Co. (5/11-15)
April 3 filed 100,000 shares of 6% convertible preferred stock (par $10) and 500,000 shares of common stock (par 10 cents) to be offered in units consisting of one preferred share and five common shares. **Price**—$63 per unit. **Proceeds**—For drilling and exploration program; and for working capital, and general corporate purposes. **Office**—Virginia & Truckee Bldg., Carson City, Nev. **Underwriter**—J. Barth & Co., San Francisco, Calif.

● **Maine Fidelity Life Insurance Co.**
March 30 filed 100,000 shares of capital stock (par $1.50) being offered for subscription by holders of outstanding stock at the rate of one new share for each two shares held on April 28, 1959; rights to expire on May 19 (with an oversubscription privilege). **Price**—$6 per share. **Proceeds**—To increase capital and surplus. **Office**—83 Exchange Street, Portland, Maine. **Underwriter**—P. W. Brooks & Co., Inc., New York.

● **Marine Midland Corp. (5/13)**
April 17 filed a maximum of 465,000 shares of common stock (par $5) to be offered for subscription by common stockholders of record May 12, 1959, on the basis of one new share for each 20 shares then held, rights to expire on June 1. **Price**—To be supplied by amendment. **Proceeds**—To pay an outstanding bank loan due Sept. 30, 1962, and for general corporate purposes. **Underwriters**—The First Boston Corp. and Eastman Dillon, Union Securities & Co., both of New York; Schoellkopf, Hutton & Pomeroy, Inc., Buffalo, N. Y., and Granbery, Marache & Co., New York.

Mary Carter Paint Co.
March 30 (letter of notification) 37,500 shares of common stock (par $1) of which 25,000 shares are being offered by the company, out of authorized but unissued stock, and 12,500 shares are being offered by John F. Crosby, Spring Lake, N. J. **Price**—$8 per share. **Proceeds**—For payment of outstanding loans and working capital, and to selling stockholder. **Office**—Gunn Highway at Henderson Rd., Tampa 7, Fla. **Underwriter**—W. W. Schroeder & Co., New York 5, N. Y.

★ **Merck & Co., Inc.**
April 30 filed an undetermined amount of participations in the company's Employee Stock Purchase and Savings Plan.

● **Miami Extruders, Inc. (5/18-22)**
April 17 filed 175,000 shares of common stock. **Price**—$3 per share. **Proceeds**—To be used for the purchase of equipment, for increased inventories, and for the retirement of bank loans. **Office**—7575 N. W. 37th Avenue Miami, Fla. **Underwriters**—Aetna Securities Corp., New York; and Roman & Johnson, Fort Lauderdale, Fla.

Midwest Technical Development Corp.
March 17 filed 500,000 shares of common stock (par $1). **Price**—$3.75 per share. **Proceeds**—For investment purposes. **Office**—1404 Northwestern Bank Bldg., Minneapolis, Minn. **Underwriter**—None.

Millsap Oil & Gas Co.
Dec. 23 filed 602,736 shares of common stock. **Price**—$1 per share. **Proceeds** — For additional working capital. **Office**—Siloam Springs. Ark. **Underwriter**—None.

Missouri Utilities Co.
April 14 (letter of notification) 10,154 shares of common stock (par $1) to be offered for subscription by stockholders on the basis of one share for each 31 shares held on or about April 29. **Price** — To be supplied by amendment. **Proceeds**—For general funds of the company. **Office**—400 Broadway, Cape Girardeau, Mo. **Underwriter**—Edward D. Jones & Co., St. Louis, Mo.

★ **Mohawk Rubber Co., Akron, Ohio**
May 4 filed 15,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For working capital and purchase of equipment. **Underwriter**—Kidder, Peabody & Co., New York.

Mortgage Corp. of America
April 10 filed $1,000,000 of 4¾% colleteral trust notes, due May 1, 1969-79. **Price**—100% of principal amount. **Proceeds**—For repayment of loan. **Office**—100 St. Paul Street, Baltimore, Md. **Underwriter**—None.

★ **Multi-Amp Electronic Corp. (5/25-29)**
May 1 (letter of notification) 99,500 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To purchase building; for research, development, equipment and machinery, etc.; and for working capital. **Business**—Portable and laboratory instruments for testing etc. **Office**—465 Lehigh Avenue, Union, N. J. **Underwriter**—G. Everett Parks & Co., Inc., 52 Broadway, New York, N. Y.

★ **Narda Utrasonics Corp. (6/1-5)**
April 29 filed 20,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To retire a $100,000 outstanding bank loan and the balance will be used for general corporate purposes. **Office**—Westbury, Long Island, N. Y. **Underwriter** — Torpie & Saltzman, New York.

National Citrus Corp.
April 20 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds**—For new equipment, inventory and working capital. **Address**—P. O. Box 1658, Lakeland, Fla. **Underwriter**—R. F. Campeau Co., Inc., Detroit, Mich.

● **National Gypsum Co.**
April 6 filed 1,014,300 shares of common stock, to be offered in exchange for all but not less than 98% of the outstanding common shares of Huron Portland Cement Co. in the ratio of 7/10 of a share of National stock for each share of Huron stock. Offer will expire on May 19. Statement effective April 28.

National Life & Casualty Insurance Co.
March 25 filed 250,000 shares of common capital stock to be offered to holders of certain of company's life insurance policies issued on or prior to Dec. 31, 1955, and to certain employees. **Price**—$4.44 per share. **Proceeds**—To increase capital and surplus. **Office** — 2300 North Central Ave., Phoenix, Ariz. **Underwriter**—None.

★ **National Steel Corp. (5/27)**
May 5 filed $80,000,000 of first mortgage bonds due June 1, 1989. **Price**—To be supplied by amendment. **Proceeds**—For expansion program. **Underwriters**—Kuhn, Loeb & Co.; Harriman Ripley & Co., Inc., and The First Boston Corp., all of New York.

Nationwide Small Business Capital Investing Corp.
April 24 filed 500,000 shares of capital stock (par 50 cents). **Price** — $1 per share. **Proceeds** — For working capital and investments. **Office**—Hartsdale, N. Y. **Underwriter**—None.

Nedow Oil Tool Co.
May 5 (letter of notification) 150,000 shares of common stock (par 50 cents). **Price**—$2 per share. **Proceeds**—To acquire fishing tools for leasing; and for working capital. **Address**—P. O. Box 672, Odessa, Texas. **Underwriters**—To be designated.

New Hampshire Ball Bearings, Inc. (5/18-23)
April 27 filed 126,000 shares of common stock (par $2) of which, 100,000 shares are to be offered for account of company and 20,000 shares for certain selling stockholders; the remaining 6,000 shares are to be offered by the company to its employees. **Price**—To be supplied by amendment. **Proceeds**—To pay off in full a 5% chattel mortgage term loan; to construct an addition to its main plant; and the balance, together with other corporate funds will be used to purchase machinery and equipment for new plant additions, and for general corporate purposes. **Office**—Peterborough, N. H. **Underwriter**—Kidder, Peabody & Co. Inc., Boston, Mass.

New York Shipbuilding Corp.
March 20 filed 83,334 shares of common stock, to be offered in exchange for common stock of Higgins, Inc., at the rate of one share of New York Shipbuilding common for each 24 shares of Higgins common. Statement effective April 16.

★ **North American Acceptance Corp.**
April 29 (letter of notification) $300,000 of 6% 10-year subordinated debentures to be offered for subscription by stockholders in denominations of $100, $500 and $1,000 each. Rights will expire July 31, 1959. **Price**—At par. **Proceeds**—For working capital. **Office**—Suite 487, 795 Peachtree Street, N. E., Atlanta, Ga. **Underwriter**—None.

★ **Northeast Aluminum, Inc., Wayne, N. J.**
April 30 (letter of notification) 60,000 shares of common stock (par one cent). **Price**—$5 per share. **Proceeds**—To provide plant and equipment and for working capital. **Business**—To produce aluminum siding and enameled aluminum and steel coil sheet. **Underwriter**—None.

★ **Nuclear Electronics Corp. (6/1-5)**
April 29 filed 200,000 shares of common stock (par one cent). **Price**—$3.75 per share. **Proceeds**—To be applied to the payment of an indebtedness owed to Wheaton Glass Co.; for payment of bank debt; for research, development, production and marketing; for sales promotion; and the balance for general working capital. **Office**—2925 N. Broad Street, Philadelphia, Pa. **Underwriter**—Charles Plohn & Co., New York.

Office Buildings of America, Inc.
April 6 filed 91,809 shares of class A stock (par $1) and 10,201 shares of class B common stock (par $1) to be offered in units of nine class A shares and one class B share. **Price**—$100 per unit. **Proceeds**—To be available for investment in real estate syndicates and other real estate. **Office**—9 Clinton St., Newark, N. J. **Underwriter**—None.

★ **Ohadi Mining Co., Dixie, Idaho**
April 27 (letter of notification) 20,087 shares of common stock (par $1) and $100,000 of Exploration Fund Certificates to be offered in denominations of $100 each. **Price**—At par. **Proceeds**—For mining expenses. **Underwriter**—None.

Oil, Gas & Minerals, Inc.
April 2 filed 260,000 shares of common stock (par 35 cents. **Price**—$2 per share. **Proceeds**—To retire bank loans and for investment purposes. **Office**—513 International Trade Mart, New Orleans, La. **Underwriter** — Assets Investment Co., Inc., New Orleans, La.

O. K. Rubber Welders, Inc.
Dec. 15 filed 60,600 shares of common stock, $43,333.33 of 3¼% debentures maturing on or before May 6, 1963, $692,000 of 6% debentures maturing on or before Dec. 31, 1974 and $123,000 of 7% debentures due on or before May 6, 1965. The company proposes to make a public offering of 25,000 shares of common stock at $10 per share. The remaining shares and the debentures are

subject to an exchange offer between this corporation O. K. Rubber, Inc., and O. K. Ko-op Rubber Welding System, on an alternative basis. **Proceeds**—Of the public offering, will be used for additional working capital and/or to service part of the company's debt. **Office**—551 Rio Grande Ave., Littleton, Colo. **Underwriter**—None. Statement effective April 13.

Oppenheimer Fund, Inc.
Dec. 5 filed 100,000 shares of capital stock. **Price**—At market (about $10 per share). **Proceeds**—For investment. **Office**—25 Broad St., New York. **Underwriter**—Oppenheimer & Co., New York.

• Ozark Air Lines, Inc.
March 24 (letter of notification) 59,825 shares of general common stock (par $1) to be offered for subscription by holders of class A and class B common stock and/or class B common stock evidenced by a voting trust certificate, one share of general common stock for each 20 shares of cl. A and cl. B common stock held. **Price**—$4.25 per share to stockholders; $4.75 to public. **Proceeds**—To purchase additional flight and ground equipment and for working capital. **Address**—P. O. Box 6007, Lambert Field, St. Louis 21, Mo. **Underwriter**—None, but Newhard, Cook and Co. and Yates, Heitner & Woods, both of St. Louis, Mo., offered to purchase the unsubscribed shares. **To Amend Statement**—Full registration expected of 132,944 shares of general common stock.

★ Packard-Bell Eelectronics Corp. (5/27)
May 4 filed 120,000 shares of capital stock (par 50 cents) of which 100,000 shares are to be offered for the account of the company and 20,000 shares for a selling stockholder. **Price**—To be supplied by amendment. **Proceeds**—To construct and equip a new plant in Newbury Park, Calif. to reduce short-term bank indebtedness; and for working capital. **Underwriter**—White, Weld & Co., New York.

• Paddock of California
March 30 filed 51,847 outstanding shares of common stock (par $1) being offered "only to stockholders and directors of The Refinite Corp. and will not be offered to the general public." **Price**—$3 per share. **Proceeds**—To selling stockholders, The Refinite Corp. **Office**—8400 Santa Monica Boulevard, Los Angeles, Calif. **Underwriter**—None.

Paramount Mutual Fund, Inc.
Jan. 2 filed 300,000 shares of capital stock. **Price**—Minimum purchase of shares is $2,500. **Proceeds**—For investment. **Office**—404 North Roxbury Drive, Beverly Hills Calif. **Underwriter**—Paramount Mutual Fund Management Co. Statement effective April 14.

Peckman Plan Fund, Inc., Pasadena, Calif.
May 19 filed 20,000 shares of common stock (par $1 **Price**—At market. **Proceeds**—For investment. **Underwriter**—Investors Investments Corp., Pasadena, Calif

Penn-Texas Corp., New York City
March 31 filed 1,490,622 shares of common stock being offered for subscription by common stockholders at rate of one new share for each four shares held as of record April 24, 1959; rights to expire on May 8, 1959. **Price**—$6 per share. **Proceeds**—To purchase additional stock of Fairbanks, Morse & Co. and for repayment of loans. **Underwriter**—Bear, Stearns & Co., New York.

Pennsylvania Power Co.
Aug. 1 filed $8,000,000 of first mortgage bonds due 1989. **Proceeds**—To redeem a like amount of 5% first mortgage bonds due 1987. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; White Weld & Co. Equitable Securities Corp., and Shields & Co. (jointly) Lehman Brothers, Eastman Dillon, Union Securities & Co., Salomon Bros. & Hutzler and Ladenburg, Thalmann & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith and Dean Witter & Co. (jointly). **Bids** — Tentatively had been expected to be received up to 11 a.m. (EDT) on Aug. 27 but company on Aug. 22 decided to defer sale pending improvement in market conditions. SEC on Feb. 25, 1959 extended to June 16, 1959 period within which company may consummate financing.

Perfecting Service Co.
Feb. 26 (letter of notification) 28,250 shares of common stock to be offered for subscription by stockholders on a pro rata basis. Rights expire in 15 days. **Price**—At par ($10 per share). **Proceeds**—For accounts receivable and inventories. **Office**—332 Atando Ave., Charlotte, N. C. **Underwriter**—None.

Permachem Corp., New York
March 31 filed 2,041,331 shares of class A common stock (par 10 cents) and 1,917 shares of class B common stock (par 10 cents). This covers the transfer of certain shares pursuant to option agreements. **Price** — At over-the-counter market prices. **Underwriter**—None.

• Permanent Filter Corp.
April 7 filed 140,000 shares of common stock, of which 120,000 shares are to be offered for account of the company and 20,000 shares for account of selling stockholder. **Price**—To be supplied by amendment. **Proceeds** — For land and buildings and working capital. **Underwriter**—William R. Staats & Co., Los Angeles, Calif. **Offering**—Expected today (May 7).

Philippine Oil Development Co., Inc.
April 10 filed 221,883,614 shares of capital stock, to be offered for subscription by holders of outstanding stock at the rate of one new share for each two shares held. **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Office**—Soriano Building, Plaza Cervantes, Manila (P. I.). **Underwriter**—None.

Phillips-Van Heusen Corp.
April 21 filed 69,210 shares of common stock, to be offered in exchange for common stock of Kennedy's, Inc., in the ratio of 1½ shares of Phillips-Van Heusen stock for one share of Kennedy's stock.

• Pioneer Plastics Corp., Sanford, Me. (5/18-22)
April 15 filed 150,000 shares of common stock (par $1) (of which 8,000 shares are to be offered to employees). **Price**—To be supplied by amendment. **Proceeds** — To selling stockholders. **Business** — Producer of decorative laminated plastics. **Underwriter**—Reynolds & Co., Inc., New York.

★ Polarad Electronics Corp. (5/25-29)
May 1 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For working capital and other corporate purposes. **Office**—43-20 34th Street, Long Island City, N. Y. **Underwriter**—Kidder, Peabody & Co., New York.

★ Poly Industries, Inc. (5/25-29)
May 4 filed 200,000 shares of common stock (par $1), of which 100,000 shares are to be offered for the account of the company and 100,000 shares for certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For working capital and to reduce bank borrowings. **Office** — 12177 Montague Street, Pacoima, Calif. **Underwriter**—Van Alstyne, Noel & Co., New York.

• Potomac Electric Power Co. (5/13)
April 23 filed 1,182,077 shares of common stock (par $10) to be offered for subscription by common stockholders of record May 12, 1959, at the rate of one new share for each five shares held; subscription rights to expire on May 27. Unsubscribed shares will be offered first to employees. **Price**—To be supplied by amendment. **Proceeds**—To pay $8,425,000 of outstanding bank loan notes, representing borrowing for working capital and other corporate purposes; to reimburse the company's treasury for a portion of the construction expenditures heretofore made, and to provide for a portion of its construction program. **Underwriters**—Dillon, Read & Co. Inc., New York; and Johnston, Lemon & Co., Washington, D. C.

Precon Electronics Corp. (5/18-25)
April 6 filed 175,000 shares of common stock (par 75 cents). **Price** — $5 per share. **Proceeds** — For working capital; to reimburse the predecessor for certain development expenses; for inventories and work in process; and other general corporate purposes. **Office**—120 E. 41st St., New York, N. Y. **Underwriters**—Charles Plohn & Co. and Netherlands Securities Co., Inc., both of New York, N. Y.

Pressed Metals of America, Inc.
April 17 filed 90,000 outstanding shares of common stock. **Price** — Related to the current market price on the American Stock Exchange. **Proceeds**—To selling stockholders. **Office**—Port Huron, Mich. **Underwriter**—None.

Producers Fire & Casualty Co., Mesa, Ariz.
March 31 filed 400,000 shares of common stock to be offered for subscription by holders of stock purchase rights acquired in connection with life insurance policies issued by Dependable Life Insurance Co. and to certain agents and brokers of Producers Fire & Casualty Co. **Price**—$5 per share. **Proceeds**—For working capital. **Underwriter**—None.

Prudential Enterprises, Inc.
Jan. 15 (letter of notification) 200,000 shares of common stock (par one cent) of which 170,000 shares are to be sold by the company and 30,000 shares by a selling stockholder. **Price** — $1.50 per share **Proceeds** — For general expansion and working capital. **Office**—1108 16th Street, N.W., Washington 6, D. C. **Underwriter**—John C. Kahn Co., Washington, D. C.

Purepac Corp., New York
March 31 filed 260,000 shares of common stock (par five cents). **Price**—$3 per share. **Proceeds**—To repay loans and for general corporate purposes. **Business**—Manufacturers and packager of proprietary drug items. **Underwriter** — Richard Bruce & Co. Inc., 26 Broadway, New York 4, N. Y. **Offering**—Expected end of May.

Puritan Chemical Corp.
March 30 filed 500,000 shares of capital stock (par 10 cents. **Price**—$1.25 per share. **Proceeds**—For working capital and general corporate purposes. **Office**—2 South Broadway, Lawrence, Mass. **Underwriter**—Dunne & Co., New York. **Offering**—Expected any day.

Pyrometer Co. of America, Inc.
April 27 filed 200,000 shares of common stock. **Price**—$3 per share. **Proceeds**—For inventory, expansion of present facilities, equipment, working capital and other general corporate purposes. **Office** — Penndel, Pa. **Underwriter**—Arnold Malkan & Co., Inc., 565 Fifth Ave., New York.

Raindor Gold Mines, Ltd.
Jan. 28 (letter of notification) 290,000 shares of common stock (par $1). **Price**—$1 per share. **Proceeds**—To prove up ore and for road and camp construction. **Office**—At Suite 322, 200 Bay St., Toronto, Ont., Canada, and c/o T. Arnold, Wilson Circle, Rumson, N. J. **Underwriter**—Sano & Co., New York, N. Y.

Rapid-American Corp., New York
April 13 filed $7,209,640 of convertible subordinated debentures due April 30, 1964, to be offered for subscription by common stockholders in the ratio of $100 of debentures for each 10 common shares held. **Price**—To be supplied by amendment. **Proceeds**—To be applied in part to the repurchase and retirement of the company's 5¾% convertible subordinated debentures presently outstanding, in full, at par plus accrued interest to the date of payment, and the balance for general corporate purposes. **Underwriter**—None.

Rassco Financial Corp.
June 26 filed $1,000,000 of 15-year 6% series A sinking fund debentures due 1973, to be offered in denominations of $500 and $1,000. **Price**—At par. **Proceeds**—For working capital and general corporate purposes. **Underwriter**—Rassco Israel Corp., New York, on a "best efforts" basis.

★ Raytheon Manufacturing Co.
May 1 filed 350,602 shares of common stock (par $5) and 100,000 shares of 5½% series (cumulative), serial preferred stock (par $50). These shares were or may be issued as a result of the merger, of Machlett Laboratories, Inc., into Raytheon Co. (formerly Raytheon Manufacturing Co.).

★ Raytheon Manufacturing Co.
May 1 filed 414,066 shares of common stock (par $5) offered through the company's Key Employee Incentive Plan Stock Options; also an additional 90,890 shares offered through common stock purchase warrants issued attached to its 4½% 1971 notes.

★ Reeves Soundcraft Corp., Danbury, Conn.
April 30 filed 22,000 shares of common stock (par five cents) to be sold to Lewis Cowan Merrill upon exercise of option. **Price**—$3 per share. **Proceeds**—To Hazard E. Reeves, the selling stockholder. **Underwriter**—None. No public offering is planned.

Reiter-Foster Oil Corp.
March 30 filed $1,500,000 of 6% convertible debentures due 1969, to be offered for subscription by common stockholders at the rate of $100 principal amount of debentures for each 300 common shares held. **Price**—To be supplied by amendment. **Proceeds**—To pay debt and for development of present properties and acquisition and development of additional oil and gas properties. **Underwriter**—Emanuel Deetjen & Co., New York.

• Reon Resistor Corp. (5/11-15)
April 2 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**—To purchase new equipment; for payment of chattel mortgage and loans and for general working capital. **Office**—117 Stanley Ave., Yonkers, N. Y. **Underwriter**—Charles Plohn & Co., New York, N. Y.

Republic Foil Inc.
March 26 filed 70,196 shares of common stock, being offered for subscription by holders of outstanding shares upon the basis of one new share for each three shares held on or about April 28, 1959; rights to expire on or about May 13. **Price**—$12.50 per share. **Proceeds**—For property and equipment, to retire bank loans, and for working capital. **Office** — 55 Triangle St., Danbury, Conn. **Underwriter**—Laird & Co., Corp., Wilmington, Del.

Research Investing Fund of America, Inc.
Feb. 24 filed 200,000 shares of capital stock. **Price**—At market. **Proceeds**—For investment **Office**—Englewood, N. J. **Underwriter**—First Mutual Securities of America, Inc.

Richwell Petroleum Ltd., Alberta, Canada
June 26 filed 1,998,716 shares of common stock (par $1). Of this stock, 1,174,716 shares are to be sold on behalf of the company and 824,000 shares for the account of certain selling stockholders. The company proposes to offer the 1,174,716 shares for subscription by its shareholders at the rate of one new share for each three shares held (with an oversubscription privilege). The subscription period will be for 30 days following issuance of subscription rights. **Price**—To be supplied by amendment. **Proceeds**—To pay off demand note, to pay other indebtedness, and the balance if any will be added to working capital. **Underwriter** — Pacific Securities Ltd., Vancouver, Canada.

Roanoke Gas Co.
March 19 (letter of notification) 17,732 shares of common stock (par $5) being offered for subscription by common stockholders on the basis of one share for each seven shares held as of record April 6 (with an oversubscription privilege); rights to expire on May 15, 1959. **Price**—$16.75 per share. **Proceeds**—To repay short-term bank loan and for installation and construction of additional mains for the purpose of extending distribution facilities. **Office** — 123 Church Avenue, Roanoke, Va. **Underwriter**—None.

★ Roosevelt-Consolidated Building Associates
May 4 filed $5,580,000 of Participations in Partnership Interests, to be offered for sale in units. **Price**—$10,000 per unit. **Proceeds**—For general corporate purposes. **Office**—60 East 42nd Street, New York. **Underwriter**—None.

Routh Robbins Investment Corp.
Jan. 29 filed 475,000 shares of common stock. **Price**—$1 per share. **Proceeds** — For investments and working capital. **Business** — Real estate investments. **Office** — Alexandria, Va. **Underwriter**—None.

• Rowland Products, Inc., Kensington, Conn.
April 17 (letter of notification) 11,538 shares of common stock (par $12.50) being offered for subscription by common stockholders at rate of one new share for each 6¼ shares held of record April 24, 1959; rights to expire on May 19. **Price**—$23.50 per share. **Proceeds**—For working capital. **Underwriters**—Cooley & Co., Putnam & Co., both of Hartford, Conn. and Eddy & Co., New Britain, Conn.

Santa's Village, Skyforest, Calif.
March 27 filed $800,000 of 6% convertible subordinated sinking fund debentures due 1974. **Price**—At 100% of principal amount. **Proceeds** — For completion of East Dundee Village (a new amusement park near Chicago); and for working capital and other corporate purposes. **Underwriter**—None.

Schjeldahl (G. T.) Co.
March 23 filed 42,500 shares of common stock, which are to be offered and sold first to present stockholders at the rate of one new share for each eight shares held on April 1, 1959. **Price**—$10 per share. **Proceeds**—For increased plant facilities, for purchase of equipment, working capital and other corporate purposes. **Office**—202 South Division St., Northfield, Minn. **Underwriter**—Craig-Hallum, Inc., Minneapolis, Minn.

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Servonics, Inc.
March 25 (letter of notification) 133,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—For general corporate purposes. **Office**—822 N. Henry St., Alexandria, Va. **Agent**—Kidder, Peabody & Co., New York.

Shares in American Industry, Inc.
Dec. 12 filed 50,000 shares of common stock. **Price**—At market. **Proceeds**—For investment. **Office** — 1033-30th St., N. W., Washington 7, D. C. **Investment Advisor**—Investment Fund Management Corp. **Former Name**—Shares in America, Inc.

Silver Creek Precision Corp.
March 30 filed 1,550,000 shares of common stock (par 10 cents), of which 200,000 shares are to be offered for the account of the company, and 1,350,000 shares for account of selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Office**—Central Ave. and Mechanic St., Silver Creek, N. Y. **Underwriter**—Maltz, Greenwald & Co., New York.

Sip'n Snack Shoppes, Inc., Philadelphia, Pa.
March 31 filed 200,000 shares of common stock. **Price**—$2 per share. **Proceeds**—To pay loans and for new equipment. **Underwriter**—Sano & Co., New York.

● **Southern Electric Generating Co. (5/28)**
April 17 filed $25,000,000 of first mortgage bonds due 1992. **Proceeds**—To be used in connection with financing the cost of constructing a steam-electric generating station on the Coosa River in Alabama and related facilities; and for the repayment of $4,000,000 of short-term bank loans incurred for such capital expenditures. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co.; Equitable Securities Corp. and Drexel & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Bids**—Expected to be received up to 11 a.m. (EDT) on May 28 at the office of Southern Services, Inc., 250 Park Avenue, New York 17, N. Y.

Southern Nevada Power Co. (5/11)
April 6 filed $5,500,000 of first mortgage bonds, series D, due 1989. **Proceeds**—Together with other funds, will be used to repay temporary bank loans, and to refund the slightly less than $4,000,000 of series "C" 5½% mortgage bonds due 1986. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co. and Kidder, Peabody & Co. (jointly); White, Weld & Co.; Merrill Lynch, Pierce, Fenner & Smith, Inc. **Bids**—Expected to be received up to 9 a.m. (PST) on or about May 11 in the offices of O'Melveny & Myers, Room 900, 433 South Spring Street, Los Angeles 13, Calif.

Southwestern Electric Power Co. (5/12)
April 13 filed $16,000,000 of first mortgage bonds, series H, due May 1, 1989. **Proceeds**—For construction expenditures, and to prepay and discharge some $12,000,000 of bank loans made for that purpose. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc., and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp.; Lehman Brothers; Kuhn, Loeb & Co.; Blyth & Co., Inc. **Bids**—Expected to be received up to 10:30 a.m. (CDT) on May 12.

Sports Arenas (Delaware) Inc.
Nov. 18 filed $2,000,000 of 6% 10-year convertible debentures (subordinated), due Jan. 1, 1969. **Price**—To be supplied by amendment. **Proceeds**—$750,000 to pay AMF Pinspotters, Inc. for bowling alley beds; $350,000 to pay for other installations, fixtures and equipment; $85,000 to expand two present establishments by increasing the number of alley beds by eight at Yorktown Heights and by six at Wilton Manor Lanes, Fort Lauderdale; $300,000 for deposits on leaseholds, telephones and utilities; and $395,000 for working capital. **Underwriter**—None.

Sports Arenas (Delaware) Inc.
Nov. 18 filed 461,950 shares of common stock (par one cent). **Price**—At the market (but in no event less than $6 per share). **Proceeds**—To selling stockholders. **Office**—33 Great Neck Rd., Great Neck, N. Y. **Underwriter**—None

Standard Electric Co., Inc.
March 31 (letter of notification) 10,000 shares of common stock (par $25). **Price**—$27.50 per share. **Proceeds**—To purchase equipment, erect and equip a semi-fire-proof building and for working capital. **Office** — 3016 Austin Highway, San Antonio, Texas. **Underwriter** — Bache & Co., San Antonio, Texas.

Standard Packaging Corp.
April 1 filed 43,067 outstanding shares of common stock and 28,834 outstanding shares of $1.20 convertible preferred stock (par $20) to be offered from time to time on the New York Stock Exchange or off the Exchange. **Price**—Related to the then current market price on said Exchange. **Proceeds**—To Estate of D. Samuel Gottesman, deceased. **Underwriter**—None.

Sterling Television Co., Inc.
March 31 (letter of notification) 200,000 shares of Class A stock (par 25 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes, and to acquire television film series for distribution. **Office**—6 East 39th St., New York 16, N. Y. **Underwriter**—R. A. Holman & Co., Inc., New York 5, N. Y.

Super-Sol Ltd.
March 25 filed 250,000 shares of common stock. **Price**—At par (19,800 Israeli pounds—equivalent to $11 per share in U. S. funds), payable up to 90% in State of Israel Independence Issue and Development Issue Bonds, and the balance in cash. **Proceeds**—For expansion program. **Office** — 79 Ben Yehuda St., Tel Aviv, Israel. **Underwriter**—American Israel Basic Economy Co., New York, N. Y.

★ **Super Valu Stores, Inc., Hopkins, Minn.**
May 1 filed voting trust certificates for 169,663 shares of common stock, being those shares which are now outstanding or now reserved for issuance upon exercise of outstanding options, including those which are not specifically covered by an earlier registration; and those which are not covered by said registration because issued as a stock dividend upon shares on deposit under the voting trust at the record date for the stock dividend.

★ **Telecomputing Corp. (5/20)**
April 29 filed 500,000 shares of common stock (par $1), of which 250,000 shares are to be offered for the account of the company and 250,000 shares for selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—To be applied against the company's short-term bank loans incurred to finance the performance of the company's contracts. **Office**—915 North Citrus Avenue, Los Angeles, Calif. **Underwriter**—Blyth & Co., Inc., Los Angeles, Calif.

Ten Keys, Inc., Providence, R. I.
April 28 filed 973,000 shares of capital stock. **Price**—$5.40 per share. **Proceeds**—For investment. **Office**—512 Hospital Trust Bldg., Providence, R. I. **Distributor**—E. R. Davenport & Co., Providence, R. I.

Texfel Petroleum Corp.
March 19 filed 550,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For repayment of the company's 5% notes held by an American bank, and the balance will be added to its general funds and will be used in connection with its various operations, and for general corporate purposes, including payment of purchase obligations on certain properties, and for the purchase of warehouse inventories. **Office**—Republic National Bank Bldg., Dallas, Texas. **Underwriters**—Bache & Co. and Allen & Co., both of New York. **Offering**—Date indefinite.

ThermoPlastics Corp.
March 26 filed 468,500 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For purchase of necessary capital equipment and to increase working capital. **Office**—1626 Hertford Rd., Charlotte, N. C. **Underwriter**—Interstate Securities Corp., Charlotte, N. C.

● **Tracerlab, Inc. (5/14)**
April 17 filed 100,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For research and development, etc. **Office** — 1601 Trapelo Road, Waltham, Mass. **Underwriters**—Lee Higginson Corp. of New York and Boston.

Transcon Petroleum & Development Corp., Mangum, Okla.
March 20 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For development of oil properties. **Underwriter**—First Investment Planning Co., Washington, D. C.

Trinity Small Business Investment Co.
April 17 filed 235,000 shares of capital stock (par $1). **Price** — $10.75 per share. **Proceeds** — For investment. **Office**—South Main Street, Greenville, S. C. **Underwriter**—To be supplied by amendment.

★ **Trusteed Funds, Inc., Boston, Mass.**
May 4 filed (by amendment) an additional $1,700,000 principal amount of Commonwealth Fund Plan C. **Proceeds**—For investment.

★ **United Components, Inc.**
April 27 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price** — $1.50 per share. **Proceeds**—For equipment, working capital, etc. **Business** — Glass-to-metal (hermetic) seals; silicon-diodes and transistors. **Office**—358-360 Henry Street, Orange, N. J. **Underwriter**—None.

United Improvement & Investment Corp.
March 25 filed 1,238,994 shares of common stock (par $2.60), of which 809,195 shares are to be offered in exchange for outstanding stock of Lawyers Mortgage & Title Co. on the basis of one share of United for each four shares of Lawyers before its recent one-for-ten reserve split, or 2½ shares of United for each share of Lawyers after such split. Lawyers' stockholders may round out their allocation to the next full share by purchasing not more than ¾ of a share at $1.25 for each ¼ share needed. In addition, a stockholder who accepts United's offer will have privileges to subscribe to 242,299 additional shares at $5 per share, on a one-for-four basis. The company also proposes to offer 187,500 shares in exchange for all the outstanding common stocks of Margate Homes, Inc., Broward Engineering Co., and Margate Construction Co., certain outstanding debt obligations of Margate Homes, Inc., and $62,500 in cash. **Proceeds**—For working capital and general corporate purposes. **Office**—25 West 43rd St., New York, N. Y. **Underwriter**—Allen & Co., New York, for 242,299 shares of common stock.

United States Glass & Chemical Corp.
Nov. 26 filed 708,750 outstanding shares of common stock. **Price**—At market. **Proceeds** — To selling stockholders. **Office**—Tiffin, Ohio. **Underwriter**—None.

United Tourist Enterprises, Inc.
Jan. 28 filed 4,500,000 shares of class A common stock (par 50 cents). **Price**—$2 per share. **Proceeds**—For development and construction of a "Western Village" and for construction of a Grand Estes Hotel and Convention Hall, to be constructed in the immediate vicinity of Estes Park Chalet, located in Larimer County, Colo. **Office** — 330 South 39th Street, Boulder, Colo. **Underwriter**—Mid-West Securities Corp., Littleton, Colo.

Uranium Corp. of America, Portland, Ore.
April 30, 1957 filed 1,250,000 shares of common stock (par 16 cents). **Price**—To be supplied by amendment (expected to be $1 per share). **Proceeds**—For exploration purposes. **Underwriter**—To be named by amendment. Graham Albert Griswold of Portland, Ore., is President.

Utah Concrete Pipe Co.
April 27 (letter of notification) 41,300 shares of common stock (par $1). **Price**—$7.25 per share. **Proceeds**—To be used to reduce long-term debt; improvement and expansion of Ogden plant and for addition to working capital. **Office**—379-17th St., Ogden, Utah. **Underwriter**—Schwabacher & Co., San Francisco, Calif.

Utah Minerals Co.
April 11 (letter of notification) 900,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For mining expenses. **Office**—305 Main St., Park City, Utah. **Underwriter**—Walter Sondrup & Co., Salt Lake City, Utah.

Utah Oil Co. of New York, Inc.
May 6 (letter of notification) 300,000 shares of capital stock. **Price** — At par ($1 per share). **Proceeds** — For development of oil and gas lands. **Office**—524 Jefferson Ave., Rochester 11, N. Y. **Underwriter**—Frank P. Hunt & Co., Inc., Rochester, N. Y.

Utility Appliance Corp., Los Angeles, Calif.
April 9 (letter of notification) 50,000 shares of common stock (par $1). **Price**—$5.75 per share. **Proceeds**—To selling stockholders. **Office**—4851 South Alameda Street, Los Angeles 58, Calif. **Underwriter** — Dempsey-Tegeler & Co., Los Angeles, Calif.

Variable Annuity Life Insurance Co. of America
April 21 filed $4,000,000 of Variable Annuity Policies. **Price**—No less than $120 a year for annual premium contracts and no less than $1,500 for single premium contracts. **Proceeds**—For investment, etc. **Office**—1832 M Street, N. W., Washington, D. C. **Underwriter**—None.

Victoreen Instrument Co.
March 4 filed 247,159 shares of capital stock (par $1) being offered for subscription by holders of common stock and debentures, at the rate of new share for each four common shares held and eight shares for each $100 of debentures held as of April 16, 1959 (with an oversubscription privilege); rights to expire on May 7. **Price**—$9.75 per share. **Proceeds**—For working capital. **Underwriter**—None.

● **Virginia Electric & Power Co. (6/2)**
April 28 filed 710,000 shares of common stock (par $8) to be offered for subscription by common stockholders on the basis of one new share for each 20 shares held of record June 2, 1959 (with an oversubscription privilege); rights to expire on or about June 18. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith, Inc.; Stone & Webster Securities Corp. **Bids**—Expected to be received up to 11 a.m. (EDT) on June 2 at Room 238, 43 Exchange Place, New York, N. Y.

● **Wade Drug Corp., Shreveport, La.**
April 28 filed 157,250 shares of class B common stock to be sold privately to retail druggists through James D. Wade, Jr., company's principal officer and stockholder, who will receive a commission of $1.50 per share. **Price**—$10 per share. **Proceeds**—To purchase additional machinery and equipment; research and experimentation; for initial contracts; and purchase of additional companies. **Underwriter**—None.

Washington Gas Light Co.
April 7 filed 100,386 shares of $4.60 convertible preferred stock (no par) being offered for subscription by common stockholders of record April 27, 1959 at the rate of one new share for each 14 common shares held; rights to expire on May 12, 1959. **Price**—$100 per share. **Proceeds** — For construction program. **Underwriters** — The First Boston Corp., New York; and Johnston, Lemon & Co., Washington, D. C.

West Penn Power Co. (5/25)
April 17 filed $14,000,000 of first mortgage bonds, series R, due June 1, 1989. **Proceeds**—Together with other funds, will be applied to the company's construction program and repayment of bank loans incurred thereof. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers and Eastman Dillon, Union Securities & Co. (jointly); The First Boston Corp. and Harriman Ripley & Co. Inc. (jointly); Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Bids**—Expected to be received up to noon (EDT) on May 25 at office of West Penn Electric Co., 50 Broad Street, New York, N. Y.

Western Wood Fiber Co.
March 5 filed 100,000 shares of common stock (par $10) and 40,000 shares of preferred stock (par $25). **Price** — At par. **Proceeds**—For construction and equipment of company's plant and for working capital. **Office**—300 Montgomery St., San Francisco, Calif. **Underwriter**—None.

Wilmington Country Club, Wilmington, Del.
Oct. 27 filed $500,000 of debentures due 1991 (non interest bearing) and 800 shares of common stock (par $25) to be offered to members of this club and of Concord Ltd. **Price**—$375 per common share and $1,000 per debenture. **Proceeds** — To develop property and build certain facilities. **Underwriter**—None.

Prospective Offerings

Bank of Commerce, Washington, D. C. (5/29)
Feb. 26 stockholders of the Bank approved the sale of 2,000 shares of capital stock (par $100) to holders of record May 29, 1959, on the basis of one new share for each three shares held; rights to expire on June 30. **Price**—$150 per share. **Proceeds**—To increase capital and surplus.

Bank of Montreal
May 1, it was announced Bank is offering to its stockholders of record April 17, 1959 the right to subscribe on or before July 10, 1959 for 675,000 additional shares of capital stock on the basis of one new share for each eight shares held. **Price**—$32 per share, payable in 10 monthly installments from July 10, 1959 to April 8, 1960. **Subscription Agent**—Royal Trust Co., Montreal, Canada.

★ **Buckingham Transportation, Inc.**
May 4 it was reported that the company is seeking early ICC approval for the issuance of 250,000 shares of class A common stock. **Underwriter**—Cruttenden, Podesta & Co., Chicago, Ill. **Offering**—Expected towards the end of June.

Chesapeake & Ohio Ry. (5/14)
April 27 it was reported that the company plans to receive bids on May 14 for the purchase from it of $2,400,000 of equipment trust certificates due annually in 1-to-15 years. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler.

Duke Power Co. (6/9)
April 16 it was announced that the company has applied to the Federal Power Commission for authority to issue and sell 250,000 shares of new preferred stock (par $100). **Proceeds** — To reimburse treasury for capital expenditures. **Underwriter** — To be determined by competitive bidding. Probable bidders: Eastman Dillon, Union Securities & Co.; The First Boston Corp.; Morgan Stanley & Co.; Stone & Webster Securities Corp. **Bids**—Expected to be received on June 9.

El Paso Natural Gas Co.
March 4 it was announced stockholders will on April 28 vote on increasing the authorized preferred stock to 1,000,000 shares from 472,229 shares, and the common stock to 25,300,000 shares from 20,300,000 shares. **Proceeds** — For major expansion program. **Underwriter** — White, Weld & Co., New York.

First National Trust & Savings Bank of San Diego, Calif.
April 22 it was announced that Bank is offering its stockholders of record April 21, 1959 the right to subscribe on or before May 11, 1959 for 105,600 additional shares of capital stock (par $5) on the basis of one new share for each nine shares held. **Price**—$26 per share. **Underwriters** — Dean Witter & Co.; Blyth & Co., Inc.; William R. Staats & Co.; Eastman Dillon, Union Securities & Co.; and Dewar & Co.

Florida Power & Light Co. (6/3)
April 27 it was reported that the company plans to issue and sell $25,000,000 of first mortgage bonds. **Underwriter** —To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc. and Kidder, Peabody & Co. (jointly); White, Weld & Co.; The First Boston Corp. **Bids**—Expected to be received up to 11:30 a.m. (EDT) on June 3.

Georgia Power Co. (9/10)
Dec. 10 it was announced that the company plans to issue and sell $18,000,000 of 30-year first mortgage bonds. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., Kidder, Peabody & Co. and Shields & Co. (jointly); Lehman Brothers; The First Boston Corp.; Morgan Stanley & Co.; Equitable Securities Corp. and Eastman Dillon, Union Securities & Co. (jointly); Harriman Ripley & Co. Inc. **Registration**—Planned for Aug. 14. **Bids**—Expected to be received on Sept. 10.

★ **Giant Foods Co. Inc.**
May 4 it was reported that the company plans an offering of additional common stock, part of which will be sold for the account of selling stockholders and part for the account of the company. **Proceeds** — For working capital. **Underwriters**—Auchincloss, Parker & Redpath, Washington, D. C.; and Kidder, Peabody & Co., New York.

Jersey Central Power & Light Co.
Feb. 10 it was announced that the company is contemplating the sale of $8,000,000 of first mortgage bonds. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Kidder, Peabody & Co.; Salomon Bros. & Hutzler and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Lehman Brothers and Blair & Co., Inc., (jointly). **Offering**—Expected during August.

Kansas City Power & Light Co.
Dec. 29 it was reported that the company plans to issue and sell $20,000,000 of first mortgage bonds. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp. and Blyth & Co., Inc. (jointly); Equitable Securities Corp.; White, Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co., Salomon Bros. & Hutzler and Eastman, Dillon, Union Securities & Co. (jointly); Lehman Brothers and Bear, Stearns & Co. (jointly). **Offering**—Expected in May or June.

Long Island Trust Co.
April 23 the bank offered to its stockholders the right to subscribe for 70,186 additional shares of capital stock (par $5) at the rate of one new share for each six shares held of record April 22, 1959; rights to expire on May 8. **Price**—$20 per share. **Proceeds**—To increase capital and surplus. **Underwriter**—A. M. Kidder & Co., New York.

★ **Mansfield Tire & Rubber Co.**
April 29 directors announced that the company plans to offer stockholders a total of not to exceed $5,100,000 of new convertible subordinated debentures. The basis for subscription of these debentures by the stockholders has not as yet been determined. **Underwriter**—A. G. Becker & Co. Inc., Chicago, Ill.

Mississippi Power Co. (6/25)
Dec. 10 it was announced that this company plans to issue and sell $5,000,000 of 30-year first mortgage bonds. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Registration**—Planned for May 29. **Bids**—Expected to be received on June 25.

North American Equitable Life Assurance Co.
Dec. 1 it was announced that the company plans an offering of 950,000 shares of capital stock. **Price** — $10 per share. **Proceeds**—To increase capital and surplus. **Underwriter**—John M. Tait & Associates, Cincinnati, Ohio

Northern Illinois Gas Co. (6/23)
March 25, Marvin Chandler, President, announced company plans issue and sale of $20,000,000 25-year first mortgage bonds. **Proceeds** — For capital expenditures. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Glore, Forgan & Co.; Blyth & Co. Inc. **Bids**—Tentatively planned to be received on June 23. **Registration**—Expected at end of May.

Northern States Power Co. (Minn.)
March 31 it was reported that the company has revised its financing plans, and is considering the offering and sale of $10,000,000 of new preferred stock. **Proceeds**—To be used to repay bank loans and for construction program. **Underwriter**—To be determined by competitive bidding: Blyth & Co., Inc. and The First Boston Corp. (jointly); Lehman Brothers and Riter & Co. (jointly), Merrill Lynch, Pierce, Fenner & Smith, Inc.; Harriman Ripley & Co. Inc., and Eastman Dillon, Union Securities & Co. (jointly); Kuhn, Loeb & Co.; Smith, Barney & Co.

Northern States Power Co. (Minn.) (7/22)
March 31 it was reported that the company also is considering offering about 714,000 additional shares of common stock for subscription by common stockholders on the basis of one new share for each 20 shares held. **Proceeds** — To repay bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Lehman Brothers and Riter & Co. (jointly); The First Boston Corp., Blyth & Co., Inc. and Kuhn, Loeb & Co. (jointly); White, Weld & Co. and Glore, Forgan & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—Expected to be received on July 22.

★ **Pan American World Airways, Inc.**
May 4 it was announced that the stockholders will vote on May 26 to authorize the company to offer up to $50,000,000 of convertible debentures. Stockholders would have pre-emptive rights to subscribe for these securities. **Proceeds**—For purchase of equipment, etc.

Pennsylvania Electric Co.
Feb. 10 it was announced that the company is planning the sale of $15,000,000 of first mortgage bonds. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co., Merrill Lnych, Pierce, Fenner & Smith Inc. and White, Weld & Co. (jointly); The First Boston Corp. and Harriman Ripley & Co. Inc. (jointly). **Offering**—Expected about mid-year.

Philadelphia Electric Co.
April 8 it was announced company plans to offer about 640,000 additional shares of common stock to common stockholders of record on or about June 1; rights to expire on June 20. **Proceeds**—For construction program. **Underwriters**—Drexel & Co. and Morgan Stanley & Co. **Offering**—Expected in June.

Public Service Co. of New Hampshire
April 22 it was stated in the company's annual report that it plans the raising of $13,250,000 from outside sources. This new money will come partially from short-term obligations but principally from permanent financing, the amount and type of which has not as yet been determined. **Proceeds**—To meet construction requirements for 1959.

Public Service Electric & Gas Co. (6/2)
April 22 it was announced that the company plans issue and sale of $50,000,000 first and refunding mortgage bonds due June 1, 1989. **Proceeds** — For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Kuhn, Loeb & Co. and Lehman Brothers (jointly); Morgan Stanley & Co. and Drexel & Co. (jointly). **Bids**—Tentatively expected to be received on June 2. **Registration**—Scheduled for today (May 7).

Spector Freight System, Inc.
Feb. 16 this company sought ICC approval for issuance of 200,000 shares of class A common stock (par $1), of which 60,000 shares will be sold for the account of selling stockholders **Proceeds** — To pay outstanding loans and for additional working capital. **Underwriter**—A. G. Becker & Co., Inc., Chicago, Ill.

Teleflex Ltd., Toronto, Canada
March 24, R. C. Dobson, President, announced that the company plans to raise approximately $1,000,000 in the near future, partially through debt financing and partially through the sale of additional common stock. **Underwriter** — To be named later.

★ **Thriftimart, Inc.**
May 4 it was reported that the company plans to offer $7,000,000 to $8,000,000 of convertible debentures. **Underwriters** — Reynolds & Co., New York; and Lester, Ryons & Co., Los Angeles, Calif. **Offering**—Expected in the latter part of June.

Union Electric Co. (Mo.)
Feb. 23, J. W. McAfee, President, stated that the company plans to sell about $30,000,000 of additional common stock later this year through rights to common stockholders. **Proceeds**—For expansion program. **Underwriter**—May be determined by competitive bidding. Probable bidders: Lehman Brothers; White, Weld & Co., and Shields & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith, Inc. **Offering**—Expected toward the end of the second or third quarter of 1959.

United Gas Improvement Co. (6/16)
April 7 it was reported that the company plans to issue and sell $10,000,000 of first mortgage bonds due 1984. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Merrill Lynch, Pierce, Fenner & Smith and Eastman Dillon, Union Securities & Co. (jointly); The First Boston Corp.; Kuhn, Loeb & Co. and Blyth & Co., Inc. (jointly); Kidder, Peabody & Co.; Drexel & Co. and Eastman Dillon, Union Securities & Co. **Bids**—Expected to be received on June 16. **Registration**—Planned for around May 15.

Our Reporter's Report

Presumably the investment market, that is the primary and secondary corporate bond markets, will have to convince the potential investor that a new base has been reached when the time comes.

Certainly there is nothing in the picture which indicates that the prospective buyer is of a mind to attempt to feel out the situation. And he can hardly be blamed what with everybody seemingly a little on the jittery side at the moment.

Whether or not the Treasury must ultimately decide to ask Congress to lift the interest ceiling it may pay on new bond issues, the mere discussion of such a possibility serves as an excuse, if not a reason, for prospective buyers of debt securities to sit on their hands.

Most of the latter are well supplied with funds for investment and might be expected to show an interest in the market if yields rise another ten basis points or so. But that was the case only a while back and yields, which then would have looked attractive, have since been established. But without getting anything in the way of response from buyers.

Judging by discussion around the market place things have reached a point where dealers are scared to venture into the market on their own and will act only when they have definite orders to fill.

The more sanguine observers, however, note that similar situations have prevailed in the past and the market has righted itself. They calculate that things will straighten out again once fears of serious new inflation have been beaten down.

Market at Stalemate

The secondary bond market appears to have reached a stalemate where investors will neither buy nor will they sell. Bond men with "good" bids, judging by their relationship to the market, and the attitude of bondholders, are unable to induce the latter to let go of their holdings.

The argument is that "we cannot afford to take the loss at these prices." And it is difficult to talk any of them into making a switch.

Observers continue to blame the stock market's gyrations at least in part for the stalemate in bonds and they are watching equities closely for any clue to a change in that direction.

Indicates Confidence

Prospective borrowers appear more confident of the future of the fixed income securities markets than to experienced investors considering plans which are going ahead for new commitments.

Only this week, for example, National Steel Corp. filed with the Securities and Exchange Commission to cover an issue of $80 million of 30-year first mortgage bonds. Proceeds would help defray costs of its $300 million expansion program.

Meanwhile Crucible Steel has outlined plans for financing $35 million of new construction, etc., and proposes to sell $15 million of first mortgage bonds plus 99,885 shares of convertible preferred.

The Week Ahead

The new week promises enough business to go around if only the backdrop, by way of a good secondary market, can be realized. Among the week's offerings will be General American Oil Co. of Texas' $20 million of debentures. The week will get underway with two small utility offerings.

Tuesday brings up $16 million bonds of Southwestern Electric Power Co. for bids and on Wednesday, Central Illinois Light Co. will take bids for $10 million of debentures and Idaho Power Co. will be selling $15 million of bonds. Potomac Electric Power has 1,182,077 shares slated for offering on "rights."

On Friday, Florida Power Corp. is scheduled to launch a "rights" offering involving 706,000 shares of common.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated Steel operations (per cent capacity)	May 10	§94.2	*92.8	93.3	49.4
Equivalent to—					
Steel ingots and castings (net tons)	May 10	§2,668,000	*2,627,000	2,641,000	1,334,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	April 24	7,132,225	7,133,025	7,193,220	6,312,385
Crude runs to stills—daily average (bbls.)	April 24	†7,705,000	7,856,000	8,007,000	6,984,000
Gasoline output (bbls.)	April 24	27,389,000	27,491,000	28,060,000	24,440,000
Kerosene output (bbls.)	April 24	1,802,000	1,936,000	1,802,000	2,090,000
Distillate fuel oil output (bbls.)	April 24	11,543,000	12,833,000	13,281,000	10,943,000
Residual fuel oil output (bbls.)	April 24	6,401,000	6,410,000	6,867,000	6,355,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	April 24	211,747,000	212,742,000	212,954,000	207,147,000
Kerosene (bbls.) at	April 24	20,639,000	19,846,000	17,883,000	18,287,000
Distillate fuel oil (bbls.) at	April 24	81,487,000	81,518,000	76,672,000	74,743,000
Residual fuel oil (bbls.) at	April 24	55,490,000	56,430,000	55,917,000	57,600,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	April 25	647,282	633,546	603,755	533,851
Revenue freight received from connections (no. of cars)	April 25	574,828	577,461	576,443	494,367
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	April 30	$410,900,000	$314,300,000	$338,300,000	$485,610,000
Private construction	April 30	204,400,000	141,200,000	121,600,000	228,856,000
Public construction	April 30	206,500,000	173,100,000	216,700,000	256,754,000
State and municipal	April 30	149,400,000	126,600,000	144,500,000	182,339,000
Federal	April 30	57,100,000	46,500,000	72,200,000	74,415,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	April 25	8,015,000	*8,020,000	7,920,000	6,808,000
Pennsylvania anthracite (tons)	April 25	358,000	363,000	373,000	355,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	April 25	142	132	141	136
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	May 30	12,546,000	12,538,000	12,618,000	11,251,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	May 30	275	300	284	336
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	April 28	6.196c	6.196c	6.196c	5.967c
Pig iron (per gross ton)	April 28	$66.41	$66.41	$66.41	$66.49
Scrap steel (per gross ton)	April 28	$33.83	$34.83	$37.83	$31.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	April 29	31.125c	31.225c	31.250c	24.500c
Export refinery at	April 29	28.650c	29.100c	30.125c	21.575c
Lead (New York) at	April 29	11.500c	11.500c	11.500c	13.000c
Lead (St. Louis) at	April 29	11.300c	11.300c	11.300c	12.800c
‡Zinc (delivered) at	April 29	11.500c	11.500c	11.500c	10.500c
Zinc (East St. Louis) at	April 29	11.000c	11.000c	11.000c	10.000c
Aluminum (primary pig. 99.5%) at	April 29	24.700c	24.700c	24.700c	26.000c
Straits tin (New York) at	April 29	102.875c	102.500c	102.750c	93.250c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	May 5	84.02	84.35	85.52	95.84
Average corporate	May 5	88.27	88.54	89.78	96.23
Aaa	May 5	91.34	91.77	93.08	103.13
Aa	May 5	90.06	90.63	92.06	99.84
A	May 5	88.54	88.81	89.92	95.92
Baa	May 5	83.28	83.40	84.30	87.05
Railroad Group	May 5	87.32	87.59	88.27	91.77
Public Utilities Group	May 5	87.32	87.99	89.51	97.94
Industrials Group	May 5	89.92	90.00	91.48	99.04
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	May 5	4.07	4.03	3.90	2.86
Average corporate	May 5	4.54	4.52	4.43	3.99
Aaa	May 5	4.32	4.29	4.20	3.56
Aa	May 5	4.41	4.37	4.27	3.76
A	May 5	4.52	4.50	4.42	4.01
Baa	May 5	4.92	4.91	4.84	4.63
Railroad Group	May 5	4.61	4.59	4.54	4.29
Public Utilities Group	May 5	4.61	4.56	4.45	3.88
Industrials Group	May 5	4.42	4.41	4.31	3.81
MOODY'S COMMODITY INDEX	May 5	390.6	389.8	390.0	391.9
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	April 25	311,340	287,889	306,512	294,405
Production (tons)	April 25	304,464	323,387	318,345	236,328
Percentage of activity	April 25	93	95	95	81
Unfilled orders (tons) at end of period	April 25	455,533	448,740	433,180	326,592
OIL, PAINT AND DRUG REPORTER PRICE INDEX— 1949 AVERAGE = 100	May 1	110.84	110.98	110.79	110.10
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	April 11	2,396,420	2,505,290	3,020,690	1,331,070
Short sales	April 11	393,710	394,040	552,410	282,350
Other sales	April 11	2,037,930	2,074,590	2,500,500	1,041,090
Total sales	April 11	2,431,640	2,468,630	3,052,910	1,323,440
Other transactions initiated on the floor—					
Total purchases	April 11	323,430	381,410	548,370	371,920
Short sales	April 11	14,200	17,400	42,500	44,400
Other sales	April 11	341,930	370,220	580,510	284,800
Total sales	April 11	356,130	387,620	623,010	329,200
Other transactions initiated off the floor—					
Total purchases	April 11	666,260	669,645	940,450	452,840
Short sales	April 11	63,350	85,830	206,430	75,890
Other sales	April 11	637,206	633,399	974,350	399,000
Total sales	April 11	700,556	719,229	1,180,780	474,890
Total round-lot transactions for account of members—					
Total purchases	April 11	3,386,110	3,556,345	4,509,510	2,155,830
Short sales	April 11	471,260	497,270	801,340	402,640
Other sales	April 11	3,017,066	3,078,209	4,055,360	1,724,890
Total sales	April 11	3,448,326	3,575,479	4,856,700	2,127,530
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE—SECUURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	April 11	1,780,220	1,809,526	2,220,551	1,204,165
Dollar value	April 11	$94,095,907	$100,603,462	$111,268,421	$51,875,453
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	April 11	1,666,252	1,629,361	1,981,563	973,134
Customers' short sales	April 11	6,270	6,767	6,375	20,689
Customers' other sales	April 11	1,659,982	1,622,594	1,975,188	952,445
Dollar value	April 11	$85,350,334	$84,533,142	$99,242,727	$41,200,471
Round-lot sales by dealers—					
Number of shares—Total sales	April 11	461,530	435,070	536,890	234,750
Short sales	April 11	------	------	------	------
Other sales	April 11	461,530	435,070	536,890	234,750
Round-lot purchases by dealers—					
Number of shares	April 11	574,590	606,790	770,350	501,380
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	April 11	556,580	580,590	924,410	761,590
Other sales	April 11	15,990,880	15,961,310	21,413,570	10,032,850
Total sales	April 11	16,547,460	16,541,900	22,337,980	10,794,440
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	April 28	119.8	119.9	119.5	119.3
Farm products	April 28	92.2	92.5	90.9	97.2
Processed foods	April 28	107.9	107.5	107.3	111.5
Meats	April 28	102.8	102.3	100.4	110.8
All commodities other than farm and foods	April 28	128.0	128.1	127.9	125.6

*Revised figure. †Includes 662,000 barrels of foreign crude runs. §Based on new annual capacity of 147,633,670 tons as of Jan. 1, 1959, as against Jan. 1, 1958 basis of 140,742,570 tons. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
BUILDING CONSTRUCTION—U. S. DEPT. OF LABOR—Month of March (in millions):			
Total new construction	$3,792	$3,475	$3,342
Private construction	2,606	2,500	2,410
Residential buildings (nonfarm)	1,530	1,389	1,177
New dwelling units	1,215	1,070	[illegible]
Additions and alterations	261	246	[illegible]
Nonhousekeeping	54	54	48
Nonresidential buildings	628	636	689
Industrial	161	167	236
Commercial	265	262	262
Office buildings and warehouses	144	148	161
Stores, restaurants, and garages	121	114	101
Other nonresidential buildings	202	209	192
Religious	67	70	61
Educational	41	44	41
Hospital and institutional	47	47	50
Social and recreational	34	34	26
Miscellaneous	13	14	14
Farm construction	111	101	113
Public utilities	416	380	419
Railroad	21	20	23
Telephone and telegraph	70	64	80
Other public utilities	325	296	316
All other private	12	12	12
Public construction	1,094	975	932
Residential buildings	93	92	60
Nonresidential buildings	366	322	350
Industrial	29	27	[illegible]
Educational	219	197	222
Hospital and institutional	34	29	29
Administrative and service	48	39	36
Other nonresidential buildings	36	30	34
Military facilities	105	98	77
Highways	295	265	[illegible]
Sewer and water systems	111	96	105
Sewer	68	60	62
Water	43	36	43
Public service enterprises	31	25	28
Conservation and development	75	63	68
All other public	18	14	9
BUILDING PERMIT VALUATION — DUN & BRADSTREET, INC. — 215 CITIES—Month of March:			
New England	$81,039,758	$19,820,423	$15,940,184
Middle Atlantic	151,199,036	108,646,030	96,493,439
South Atlantic	44,528,905	62,865,513	41,089,088
East Central	96,522,747	56,533,378	100,757,364
South Central	111,701,397	82,225,441	100,967,461
West Central	49,578,040	27,125,336	33,126,565
Mountain	30,276,024	20,338,374	21,249,138
Pacific	146,146,637	111,919,131	154,423,117
Total United States	$710,994,544	$489,460,606	$564,046,356
New York City	96,589,327	85,789,462	53,723,840
Outside New York City	614,405,217	403,680,144	510,322,516
BUSINESS FAILURES—DUN & BRADSTREET, INC.—Month of March:			
Manufacturing number	210	207	281
Wholesale number	126	104	141
Retail number	625	582	750
Construction number	185	164	202
Commercial service number	117	104	121
Total number	1,263	1,161	1,495
Manufacturers' liabilities	$22,558,000	$17,444,000	$23,311,000
Wholesale liabilities	5,252,000	7,363,000	8,322,000
Retail liabilities	20,348,000	22,327,000	23,531,000
Construction liabilities	11,589,000	6,911,000	11,921,000
Commercial service liabilities	5,304,000	4,547,000	4,470,000
Total liabilities	$65,051,000	$58,592,000	$71,555,000
BUSINESS INCORPORATIONS (NEW) IN THE UNITED STATES—DUN & BRADSTREET, INC.—Month of March	18,153	15,758	11,670
BUSINESS INVENTORIES — DEPT. OF COMMERCE NEW SERIES — Month of Feb. (Millions of dollars):			
Manufacturing	$49,800	$49,500	$52,490
Wholesale	11,900	11,900	12,500
Retail	24,200	*24,200	24,300
Total	$85,900	*$85,600	$89,300
CONSUMER PRICE INDEX — 1947-49 = 100— Month of March:			
All items	123.7	123.7	123.3
Food	117.7	118.2	120.8
Food at home	115.5	116.1	119.6
Cereal and bakery products	134.1	133.8	132.7
Meats, poultry and fish	111.3	112.6	114.4
Dairy products	113.8	114.0	114.1
Fruits and vegetables	120.7	121.2	130.7
Other foods at home	107.3	108.1	113.8
Food away from home (Jan. 1953=100)	114.3	114.1	----
Housing	128.7	128.5	127.5
Rent	139.1	139.0	137.1
Gas and electricity	118.5	118.5	115.9
Solid fuels and fuel oil	140.3	140.0	136.7
Housefurnishings	103.8	103.8	103.9
Household operation	133.7	133.1	130.7
Apparel	107.0	106.7	106.8
Men's and boys'	107.8	107.6	108.9
Women's and girls'	99.0	98.8	98.8
Footwear	132.0	131.3	129.5
Other apparel	91.8	91.7	91.9
Transportation	144.9	144.3	138.7
Public	134.0	133.3	128.0
Private	192.0	191.6	185.9
Medical care	148.8	148.6	142.3
Personal care	129.7	129.8	128.3
Reading and recreation	117.2	117.1	117.0
Other goods and services	127.3	127.4	127.2
COTTON AND LINTERS — DEPARTMENT OF COMMERCE—RUNNING BALES:			
Consumed month of March	862,582	699,632	629,668
In consuming establishment as of March 29	1,630,798	1,601,649	1,745,499
In public storage as of March 29	10,375,161	11,577,311	10,521,828
Linters—Consumed month of March	120,909	101,082	88,572
Stocks March 29	846,314	868,310	958,787
Cotton spindles active as of March 29	17,637,000	17,642,000	17,682,000
COTTON SEED AND COTTON SEED PRODUCTS—DEPT. OF COMMERCE—Month of March:			
Cotton Seed—			
Received at mills (tons)	63,700	87,200	35,645
Crushed (tons)	467,100	468,400	327,146
Stocks (tons) March 31	722,800	1,126,200	758,322
Cake and Meal—			
Stocks (tons) March 31	139,800	103,800	198,037
Produced (tons)	210,100	214,200	149,743
Shipped (tons)	174,100	190,000	176,437
Hulls—			
Stocks (tons) March 31	110,600	112,200	125,564
Produced (tons)	110,300	109,100	80,032
Shipped (tons)	111,900	109,300	73,900
Linters—			
Stocks (bales) March 31	206,900	309,200	363,557
Produced (bales)	138,300	140,100	95,820
Shipped (bales)	160,800	148,000	76,575

Continued from page 2

The Security I Like Best

Printed Electronics, Inc. was formed in the U. S. to introduce to the American electronics industry, the reliability of the process today known as printed circuits. In 1957 Technograph obtained exclusive rights to the patents for the United States and Mexico.

Like so many new ideas, general acceptance came slowly. A few far-sighted managements are quick to see the change to be wrought and accept the inevitable —others resist and refuse to pay a license royalty charge. However, in the case of the Printed Circuit, the change became so widespread that the majority of the companies were forced to use the new process in the manufacture of their product in order to compete. As an example, today every contract for an electronic device used by the U. S. Government Armed Services, specifies the use of printed circuitry. Inevitably, the non-licensed will face Patent Suits.

To be sure, such outstanding corporations as the following, do not take out a license for a Patent unless they are quite certain of the necessity for doing so. Technograph has licensed the following corporations under its patents:

- International Business Machines.
- Radio Corporation of America.
- National Cash Register Co.
- Eastman Kodak Co.
- The Formica Company.
- Curtiss-Wright Corp.
- Photocircuits Corp.
- General Precision Equipment Co.
- Burroughs Corp.
- Cornell Dubilier Electric Co.
- Baldwin-Lima-Hamilton Corp.
- Gavitt Wire & Cable Div. of Amerace Corp.
- Texas Instruments, Inc.
- Liberty Manufacturing Corp.
- National Vulcanized Fibre Co.

In addition, many of the largest electronic manufacturing companies have their printed circuits made for them by a licensee of Technograph. There are, however, thousands of companies who simply infringe the patents.

While the basic patent for printed circuits is known as the Eisler Patent, the company has been issued over 20 patents and in addition, 11 patent applications are on file covering improvements to or adaptations of the original patent, as well as new uses for printed circuits. In every case, including the original Eisler Patent, the patents still have a substantial life before expiration.

At present, the Baldwin-Lima-Hamilton Corp. has started suit in the Federal District Court in Philadelphia against the Budd Manufacturing Co. for infringement of the Strain Gauge patent. This patent, owned by Technograph, is licensed to Baldwin-Lima-Hamilton for its exclusive use. The outcome of this suit will have a far reaching effect on industry generally and of particular benefit to Technograph, if successfully upheld.

In another suit filed in Boston last year, Technograph is suing Electralab, Inc. over the manufacture of printed circuits without license. Electralab is a wholly-owned subsidiary of the Farrington Manufacturing Co. of Boston, Mass.

Successful conclusion of these suits will lay the foundation for the final sustaining of the validity of the patents by the United States Supreme Court, and a favorable decision can result in the collection of damages from thousands of infringers throughout the country and thus necessitate all to pay royalties to Technograph. A favorable decision would result perhaps in a greater victory than the famous Hazeltine Patent Suit.

The destiny of Technograph Company's future rests in strong hands. The President of the company, Mr. Hubert L. Shortt, member of the IRE and AIEE, introduced printed circuits in the U. S. and continues to guide the operations of the company. Among the controlling stockholders are Mr. T. Roland Berner, the man who rejuvenated the old Curtiss-Wright Corp., effected the consolidation of Amerace out of American Hard Rubber, Wardell Corp. and Bachmann Uxbridge Worsted and one of the mentors of General Precision Equipment Corp. Mr. Berner is the attorney who recently successfully sued United Fruit Co. in behalf of the stockholders of the International Railways of Central America and won an award of some $8,000,000. Another large owner of stock is Mr. Oliver Grace of the Grace family.

It is my belief that at least 75% of the stock is in the hands of the management. This, of course, would include the very substantial amount owned by the British Company.

Most importantly, the very substantial interests of these people are represented by common stock —the same stock that is available to everyone in the Over-the-Counter market at about $8 per share.

Capitalization is simple. There are outstanding only 458,785 shares of common stock — no bonds, preferred stock or stock options. With this small number of shares, collection of damage claims and back royalty payments could be sizable. Therein lies the tremendous leverage factor in this common stock.

The little knowledge by the public of this company and its potential makes the stock, I believe, the best low-priced speculation available today. This purchase would not be made for a simple market profit, but in the hope of a tremendous bonanza upon a successful upholding of the Eisler Patent.

When men of proven ability and foresight invest large sums of money in a situation they believe to have unusual merit and place their legal talents behind it, I believe the purchaser of stock at $8 per share is paying very little for the opportunity to join this group, hoping to reap a tremendous reward.

Sincere Adds to Staff

(Special to The Financial Chronicle)

CHICAGO, Ill. — Thomas C. Driscoll has been added to the staff of Sincere and Company, 231 South La Salle Street, members of the New York and Midwest Stock Exchanges.

With Union Security

(Special to The Financial Chronicle)

CHICAGO, Ill.—Paul B. Wright is now with Union Security Co., 29 South La Salle Street. He was formerly with The Illinois Midcontinent Investment Company.

DIVIDEND NOTICE

149TH DIVIDEND

CIT FINANCIAL CORPORATION

A quarterly dividend at the increased rate of $0.65 per share in cash has been declared on the Common Stock of C. I. T. Financial Corporation, payable July 1, 1959, to stockholders of record at the close of business June 10, 1959. The transfer books will not close. Checks will be mailed.

C. John Kuhn, *Treasurer*

May 4, 1959.

DIVIDEND NOTICES

Brown Company

DIVERSIFIED FOREST PRODUCTS

Nibroc Towels and Wipers, Bermico Pipe, Engineered Pulps and Papers, Veneer, Plywood, Lumber, Onco Innersoles for Shoes, Chemicals

A quarterly dividend of 15¢ per share on the Common Stock of this Company has been declared payable June 1, 1959, to stockholders of record at the close of business May 8, 1959.

S. W. SKOWBO
Senior Vice President and Treasurer

Berlin, N. H. April 30, 1959

ACF Industries, Incorporated

Common Dividend No. 158

A dividend of 62½¢ per share on the common stock of this Corporation has been declared payable June 15, 1959, to stockholders of record at close of business May 28, 1959.

C. Allan Fee,
Vice President and Secretary

May 1, 1959

ALUMINIUM LIMITED

DIVIDEND NOTICE

On April 30, 1959, a quarterly dividend of 12½¢ per share in U. S. currency was declared on the no par value shares of this company, payable June 5, 1959, to shareholders of record at the close of business May 11, 1959.

JAMES A. DULLEA
Secretary

Montreal
April 30, 1959

Dividend Notice

AMERICAN & FOREIGN POWER COMPANY INC.

100 CHURCH STREET, NEW YORK 7, N.Y.

The Board of Directors of the Company, at a meeting held this day, declared a quarterly dividend of 25 cents per share on the Common Stock for payment June 10, 1959 to shareholders of record at the close of business May 11, 1959.

H. W. Balgooyen,
Executive Vice President and Secretary

April 30, 1959.

DIVIDEND NOTICES

EATON MANUFACTURING COMPANY

CLEVELAND 10, OHIO

DIVIDEND No. 155

On April 24, 1959, the Board of Directors declared a dividend of seventy-five cents (75c) per share on the common shares of the Company, payable May 25, 1959, to shareholders of record at the close of business May 6, 1959.

R. G. HENGST, *Secretary*

Manufacturing plants in 18 cities, located in six states, Canada and Brazil.

FLINTKOTE

Manufacturer of the Broadest Line of Building Products in America

THE FLINTKOTE COMPANY
New York 20, N. Y.

quarterly dividends have been declared as follows:

Common Stock*
45 cents per share

$4 Cumulative Preferred Stock
$1 per share

$4.50 Series A Convertible Second Preferred Stock
$1.12½ cents per share

These dividends are payable June 15, 1959 to stockholders of record at the close of business May 20, 1959.

WILLIAM FEICK, Jr.
Vice-President and Treasurer

May 6, 1959.

*123rd consecutive dividend

PACIFIC FINANCE CORPORATION

DIVIDEND NOTICE

A regular quarterly dividend of 60 cents per share on the common stock ($10 par value), payable June 1, 1959, to stockholders of record April 15, 1959, was declared by the Board of Directors on April 29, 1959.

B. C. REYNOLDS, *Secretary*

AMERICAN CEMENT CORPORATION

DIVIDEND NOTICE

The Board of Directors has this day declared a quarterly dividend of 25 cents per share on the Common Stock, payable July 1, 1959, to shareholders of record June 12, 1959, and a regular quarterly dividend of 37½ cents on the $25 par value Cumulative Preferred Stock, payable August 1, 1959, to shareholders of record July 10, 1959.

J. H. ASMANN
Vice President & Treasurer

May 6, 1959

DIVIDEND NOTICES

DOME MINES LIMITED

April 27, 1959.

DIVIDEND NO. 167

At a meeting of the Board of Directors of Dome Mines Limited, held this day, a quarterly dividend of Seventeen and One-Half Cents (17½c) per share (in Canadian Funds) was declared payable on July 30, 1959, to shareholders of record at the close of business on June 30, 1959.

CLIFFORD W. MICHEL,
Chairman and Treasurer.

O'okiep Copper Company Limited

Dividend No. 50

The Board of Directors today declared a final year-end dividend of eighteen shillings per share on the Ordinary Shares of the Company payable June 2, 1959.

The Directors authorized the distribution of the said final year-end dividend on June 12, 1959 to the holders of record at the close of business on June 5, 1959 of American shares issued under the terms of the Deposit Agreement dated June 24, 1946. The dividend will amount to approximately $2.52 per share, subject, however, to any change which may occur in the rate of exchange for South Africa funds prior to June 2, 1959. Union of South Africa non-resident shareholders tax at the rate of 6.45% will be deducted.

By Order of the Board of Directors,
F. A. SCHECK, *Secretary.*

New York, New York, April 29, 1959.

Esso

STANDARD OIL COMPANY
(INCORPORATED IN NEW JERSEY)

The Board of Directors has declared a

Cash Dividend on the capital stock of 55 cents per share on April 30, 1959. This dividend is payable on June 10, 1959, to stockholders of record at the close of business on May 11, 1959.

30 Rockefeller Plaza, New York 20, N. Y.

SUPERCRETE LTD.
ST. BONIFACE, MAN.

NOTICE OF DIVIDEND

Notice is hereby given that the Board of Directors has declared a stock dividend at the rate of two (2) fully paid and non-assessable Common Shares of the Capital Stock of the Company of the par value of twenty-five (25¢) cents each on every one hundred (100) outstanding Common Shares of the Company.

The said 2% stock dividend is allotted pro rata to the holders of Common Shares of record at the close of business on the 8th day of May, 1959, and the shares so issued shall carry a date not later than the 20th day of May, 1959.

F. R. DUNSMORE, C. A.,
Secretary-Treasurer.

IBM

177TH CONSECUTIVE QUARTERLY DIVIDEND

The Board of Directors of International Business Machines Corporation has today declared a quarterly cash dividend of $.50 per share, payable June 10, 1959, to stockholders of record at the close of business on May 27, 1959.

C. V. BOULTON,
Treasurer

590 Madison Avenue
New York 22, N. Y.
April 28, 1959

IBM®
INTERNATIONAL BUSINESS MACHINES CORP.

Washington . . . And You

Behind-the-Scene Interpretations from the Nation's Capital

WASHINGTON, D. C. — Perhaps only a handful of people out of Washington realize it, but the most sought after Republican political figure today, other than President Eisenhower and Vice-President Nixon, is a fast rising Senator from a state where Democrats are registered two-to-one over Republicans.

Barry M. Goldwater from Phoenix, Ariz., is the most refreshing political figure on Capitol Hill. He is the greatest thing that has happened to the cause of Republicanism in the Senate since the late Senator Robert A. Taft.

Why is he sought after from every section of the nation? Because of his political courage to stand up and be counted. This is one of the reasons why the people of Arizona, and the women in particular, made an all-out grassroots fight last November to return Senator Goldwater to Washington.

The powerful labor bosses, who hate him, poured thousands and thousands of dollars into Arizona in an effort to trample him. However, Arizona was one bright Congressional spot for the Republicans in the crushing debacle suffered by the party.

Senator Goldwater is receiving on an average of 10 invitations a day from over the nation to make addresses. Obviously, it is possible for him to accept only a small percentage, and carry on his Senatorial duties. Nevertheless, he has been burning the candle at both ends for months now.

He is Chairman of the Senatorial Campaign Committee, and in that post he is doing what he can in an effort to elect a few more Republicans in 1960, along with a Republican to occupy the White House.

He received little help from the Administration in the battle for his political life against Governor McFarland of Arizona, a former Democratic Senator, last fall. Governor McFarland had the all-out support of labor.

The Arizona Republican evoked more than passing interest recently in Washington when he told the Republican Women's Conference that the name of the next President of the United States will start with "N" and end with "N." He refrained from identifying the man, nor did he say whether the candidate's first name or last name would begin or end with an "N." Some said he could have meant Nixon, and others said he could have meant Nelson (Rockefeller).

Whatever he meant was a facetious bit of byplay. A member of his staff not long ago said his boss could stand up and read from the telephone directory and make it sound interesting. That is one of several reasons he is receiving so many invitations to make speeches.

As compared with most members of Congress, Senator Goldwater's biography in the Congressional Directory (each member submits his own biographical data for the book) is brief. Here is the full text:

Barry M. Goldwater, Republican, of Phoenix, Ariz.; born Jan. 1, 1909, in Phoenix, Ariz., son of Baron and Josephine Williams Goldwater; educated Staunton Military Academy and one year at University of Arizona; married Margaret Johnson of Muncie, Ind., in 1934; four children, Joanne Ross, Margaret, Barry and Michael; United States Air Force 1941 until 1945; Colonel USAFR; member of Episcopal Church; elected to city council of Phoenix 1949, reelected 1951; Mason, Elk, Eastern Star, Alianza, VFW, American Legion, and Sigma Chi; elected to United States Senate Nov. 4, 1952; reelected Nov. 4, 1958.

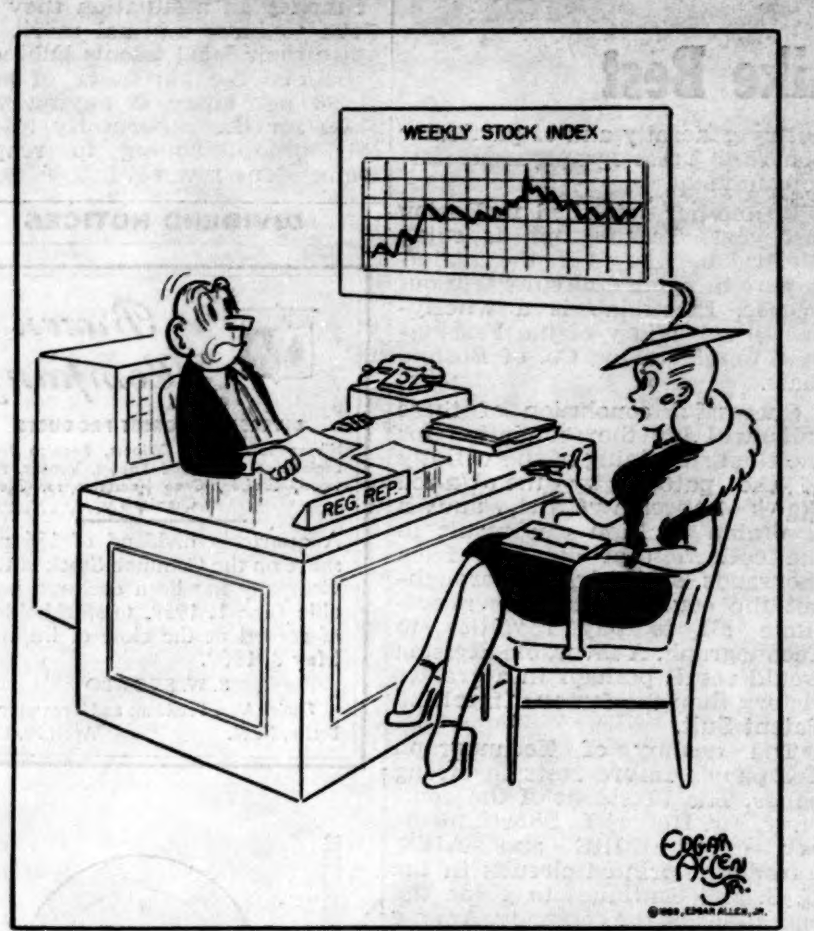
An Inspiring Talk

Incidentally, a few nights ago Senator Goldwater made an inspiring talk before 700 men and women at Washington's Sheraton Park Hotel. People from all parts of the country were there. [Ed. Note: Full text of the address will appear in our issue of May 14.]

The occasion was the annual George Washington Day dinner of the American Good Government Society. Senator John L. McClellan, Democrat of Arkansas, and Admiral Lewis L. Strauss, Secretary of Commerce, were recipients of the Society's annual awards for their contributions to good government. Senator McClellan has spent the past three years in exposing corruption and tyranny in labor unions. Secretary Strauss, a Virginian and former Chairman of the Atomic Energy Commission has served under and has had the confidence of four Presidents, Herbert Hoover, Franklin D. Roosevelt, Harry S. Truman and Dwight D. Eisenhower.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

BUSINESS BUZZ



"I can't remember the name of the company but their jingle goes 'da-da-da — dee-dee-dee — dum-dum-dum —bong!'"

Business Man's Bookshelf

Board of Trade of the City of Chicago—Statistics 1958—101st annual report—Board of Trade, Chicago, Ill. (cloth).

Certified Unitary Air Conditioners—Directory—Air Conditioning and Refrigeration Institute, 1346 Connecticut Avenue, N. W., Washington 6, D. C. (paper).

Chicago Central Area Housing Market Analysis—A Report by the Chicago Central Area Committee—Chicago Central Area Committee, 111 West Washington Street, Chicago 2, Ill. (paper).

Directory of Foreign Advertising Agencies and Marketing Research Organizations—Bureau of Foreign Commerce, U. S. Department of Commerce—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C., 45 cents.

Economic Significance of Automatic Wage Adjustments—Joseph W. Garbarino—Institute of Industrial Relations, 201 California Hall, University of California, Berkeley 4, Calif. (paper), 20¢.

Effective Answer to Communism and Why You Don't Get It in College—Harry G. and Elizabeth R. Brown—Public Revenue Education Council, 705 Olive Street, St. Louis 1, Mo., (paper), 35 cents.

Financial Situation of France—Report submitted to the Minister of Finance and Economic Affairs—United States Council of the International Chamber of Commerce, 103 Park Avenue, New York 17, N. Y. (paper).

Finland—Bank of Finland Monthly Bulletin on Recent Developments, including Finland's Foreign Trade in 1958 — Bank of Finland, Helsinki.

Glance at the Russian Economy, A—Its Record and Its Potential—National Association of Manufacturers, 2 East 48th Street, New York 17, N. Y., (paper), $1.

Glass Containers — 1958 — Glass Container Manufacturers Institute Inc., 99 Park Avenue, New York 16, N. Y. (paper).

How to Become an Engineers' Company: A guide to pinpointing the industrial market — Harry Baum Associates, 424 Madison Avenue, New York 17, N. Y.

Industrial Directory of New York State, 1958 — New York State Department of Commerce, 112 State Street, Albany 7, N. Y., $15.00.

Investment in India—Opportunities and incentives—Consulate General of India, 3 East 64th Street, New York 21, N. Y. (paper).

National Association of Supervisors of State Banks—1959 Membership Director—National Association of Supervisors of State Banks, Munsey Building, Washington 4, D. C. (paper).

New Jersey and the Industrial Atom — Proceedings of a one-day symposium for business executives — New Jersey State Chamber of Commerce, 54 Park Place, Newark 2, N. J. (paper).

Personal Stock Record for Every Stockholder — Giving complete stock transaction at a glance including company, date of purchase and sale, serial no., capital involved, dividends, etc., $3.00 per copy. Malcon Sales, Dept. No. C-3, Box 8, Vanderveer Station, Brooklyn 10, N. Y.

Profile of the Health Insurance Public — A National Study of the Pattern of Health Insurance Coverage, Public Attitudes and Knowledge — Health Insurance Institute, 488 Madison Avenue, New York 22, N. Y., (paper), (on request).

Railroad Transportation and Public Policy—James C. Nelson—The Brookings Institution, 722 Jackson Place, Washington 6, D. C. (cloth), $7.50.

Report on the Financial Situation of France—United States Council of the International Chamber of Commerce, Inc., 103 Park Avenue, New York 17, N. Y. (paper), $1.00.

Telling Your Shareownership Story to Employees, Stockholders and the General Public—an information guide—New York Stock Exchange, 11 Wall Street, New York 5, N. Y.

Wage Determination: An Analysis of Wage Criteria—Jules Backman—D. Van Nostrand Company, Inc., Princeton, N. J. (cloth), $6.75.

Weather Data for Humidity Control Air Conditioning—Edison Electric Institute, 750 Third Avenue, New York 17, N. Y., $1.50.

Wings Work Wonders for Small City America — Pamphlet on growth of local service airline systems—Air Transport Association of America, 1000 Connecticut Avenue, N. W., Washington 6, D. C. (paper).

Opens New Branch

HEMPSTEAD, N. Y. — North American Planning Corporation has opened a branch office at 320 Fulton Avenue, under the management of George Stone.

Bruns, Nordeman Branch

ELIZABETH, N. J. — Bruns, Nordeman & Co., has opened a branch office at 281 North Broad Street under the management of Alton B. Plunkett. Sidney Lans, Paul Marenus and Dr. Emanuel Stanton are associated with the new office as registered representatives.

Butler, Wick Branch

ALLIANCE, Ohio—Butler, Wick & Company has opened a branch office in the First National City Bank Building, under the management of Edward L. Knight.